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IN THE MATTER OF The Public Inquiries Act, being Chapter 258 of The Revised Statutes of Alberta, 1955, and Amendments thereto; and,

IN THE MATTER OF an Inquiry by a Royal Commission into the matters set out in Order-in-Council 861/67 respecting the use or attempted use by the Honourable Alfred J. Hooke of his office as a member of the Executive Council of Alberta, and the use or attempted use by Edgar W. Hinman of his office as a member of the Executive Council of Alberta.

PROCEEDINGS BEFORE
THE HONOURABLE MR. JUSTICE
W. J. C. KIRBY

C. W. CLEMENT, Esq., Q.C.,	Commission Counsel
S. A. FRIEDMAN, Esq., Q.C.,	Departments of Government
S. H. McCUAIG, Esq., Q.C.	E. W. Hinman, Esq.
L. MAYNARD, Esq., Q.C.,	The Honourable Alfred J. Hooke
W. B. GILL, Esq., Q.C.,	G. A. Turcott, Esq. Mr. Neil Reimer
G. A. C. STEER, Esq., Q.C.	Dr. C. A. Allard
D. H. BOWEN, Esq., Q.C.	Liberal Association of Alberta
N. S. CRAWFORD, Esq., and J. D. HILL, Esq.	Progressive Conservative Party of Alberta
G. S. D. Wright, Esq.	Alberta New Democratic Party

W. ALAN SHORT, ESQ.,
Clerk to the Commission.

VOLUME No. 30

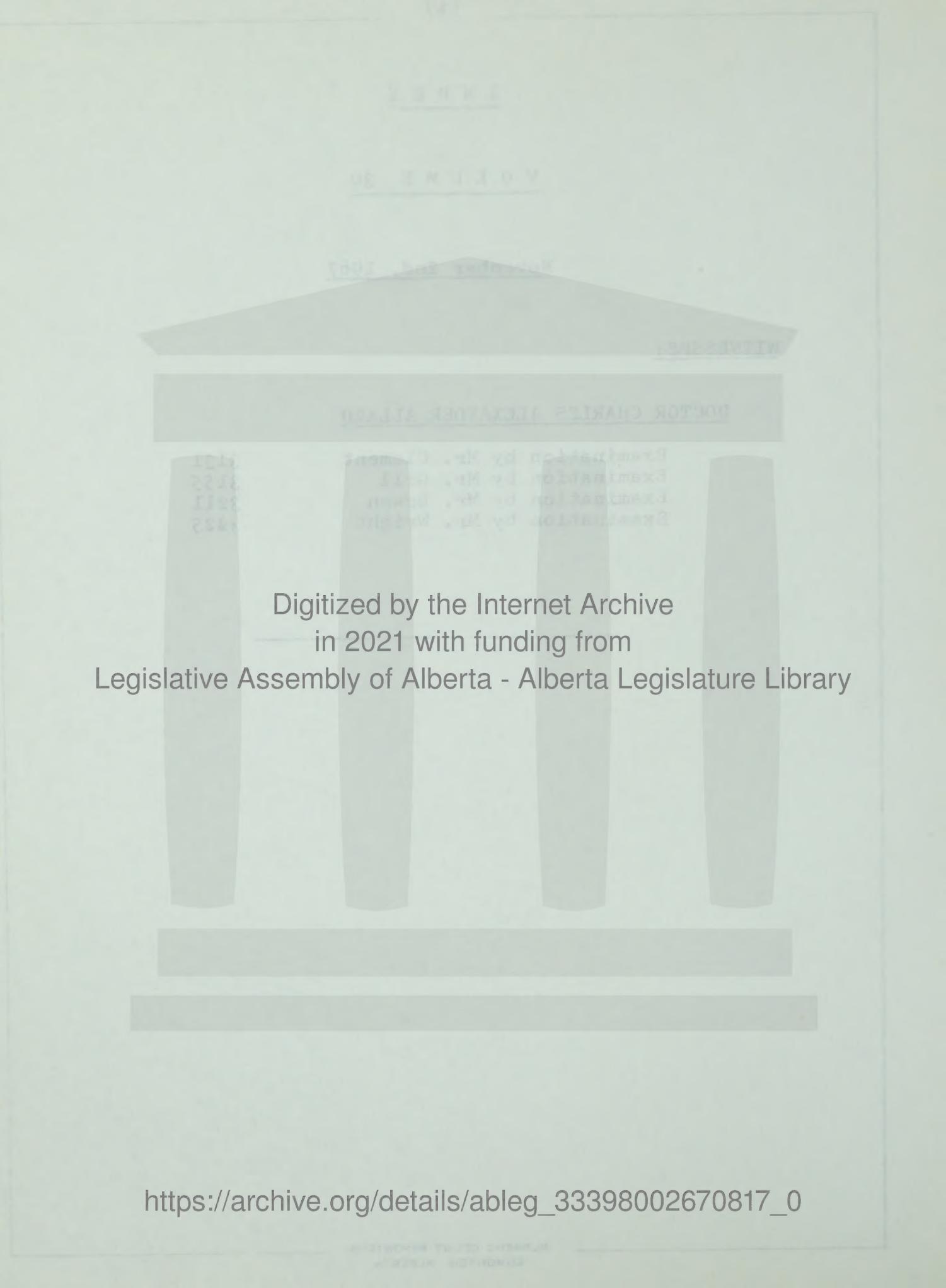
DATE November 2, 1967
(Pages 3131 - 3239)

Supreme Court Reporters

EDMONTON, ALBERTA

I N D E XV O L U M E 30November 2nd, 1967WITNESSES:DOCTOR CHARLES ALEXANDER ALLARD

Examination by Mr. Clement	3131
Examination by Mr. Gill	3155
Examination by Mr. Bowen	3211
Examination by Mr. Wright	3225

A faint, light-grey watermark of the Alberta Legislature Building is visible in the background. The building is a neoclassical structure with a prominent portico of Corinthian columns. The words "ALBERTA LEGISLATURE" are visible on the front of the building, and "THE PARLIAMENT OF ALBERTA" is written above the roofline.

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EXHIBITS

IN THE MATTER OF THE Public Utilities Act, being Chapter 236 of The
Manitoba Statutes, and of the Amending Act, and
VOLUME 30

IN THE MATTER OF THE Inquiry into a Royal Commission into the matters
set out in the Commission's report regarding the use or attempted
use by the North West Trust of its funds to live as a member of
November 2nd, 1967 the Board of Directors or attempted use by
other members of the Board of Directors of the Executive Council
of the Province.

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APPEAL HEARD BEFORE
THE HONORABLE MR. JUSTICE
W. J. C. KIRBY

C. W. CLARK, Esq., QC. Alberta Social Credit Party
 G. A. FRASER, Esq., QC. Alberta Social Credit Party
 S. H. MICHAEL, Esq., QC. Alberta Social Credit Party
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VOLUME No. 30

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EDMONTON, ALBERTA

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PROCEEDINGS BEFORE THE HONOURABLE MR. JUSTICE W. J. C. KIRBY

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Dr. C. A. Allard - Clement Ex.

PROCEEDINGS before the Honourable
 Mr. Justice W.J.C. Kirby, this
 2nd day of November, A. D. 1967, at
 9:00 o'clock in the morning, at the
 Court House, in the City of Edmonton,
 Province of Alberta.

Q MR. CLEMENT: Dr. Allard, you are still under
 oath for the purposes of this Inquiry?

A Yes sir.

Q I would like now to show you Exhibit 259 which is a
 Certificate by the Registrar of Companies of a debenture
 granted by Paris Investments to the Provincial Treasurer
 to secure the sum of \$1,500,000.00. You will observe that
 certificate is dated the 7th of May 1963. Now, would you
 tell the Inquiry sir the circumstances under which that
 debenture came to be granted to the Treasury Branch?

A Yes sir. Well, you will recall yesterday I mentioned that
 shortly after my return to Edmonton I had begun to deal at
 the Treasury Branch almost from within a few months of my
 return to Edmonton because the accommodation I thought was
 needed in a chartered bank was not available and I have
 continued to deal at the Treasury Branches ever since.

At the time that this debenture came about we were not
 dealing exclusively at the Treasury Branch so, sometime around
 the end of February or the 1st of March in that year Mr. Davey
 the Superintendent asked if we couldn't do all our business
 through the Treasury Branch, that they would prefer it.

Q Now, when you say we Dr. Allard, do you mean Paris Invest-
 ments?

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Dr. C. A. Allard - Clement Ex.

A Paris Investments largely and various other companies.

Q Of which Paris was largely the holding company?

A Paris was the key, the holding key to most of the other companies.

Q That is to say substantial shareholder in most of the others?

A Yes sir. This was agreeable to me but it was necessary, I pointed out to Mr. Davey, that it was necessary that the Treasury Branch then take over the various credits that we had at other banking institutions if this were to be effected and that the total amount of credit necessary from the Treasury Branch would then be \$1,500,000.00.

Q And this would accomplish what then in a line of credit?

A Well, it would allow us to do the bulk of our business dealings through the Treasury Branch rather than having them scattered through various other banks as well as the Treasury Branches.

Q Yes. Well, first of all, this line of credit would retire any obligations these various companies had with chartered banks?

A Well, they would retire existing lines of credit at other banks.

Q Yes, and then there would be a surplus to provide operating capital for your companies?

A Well, this credit didn't really go much beyond the total credit that we already had.

Q I see because that total credit you already had, was it of

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Dr. C. A. Allard - Clement Ex.

Q (cont.) a fluctuating nature that you could draw on and so on, it was a revolving line of credit?

A It was a revolving line of credit, yes.

Q So that this, with this security, the Treasury Branch took over the revolving line of credit of your various companies?

A Well, in addition to the credit we already had at the Treasury Branch, the total of that plus the revolving credit we had at other banks, came close to this figure of \$1,500,000.00.

Q Yes I see, and there is evidence that very substantial securities were charged by the debenture for payment of whatever was drawn down on this line of credit?

A Yes sir, the Treasury Branch was well secured.

Q Yes. Now, in arranging that line of credit you dealt with Mr. Davey?

A I dealt with the local manager and with Mr. Davey.

Q And did you have any discussion about the line of credit with anyone in Government office other than Treasury Branch people?

A No sir, definitely not.

Q I see. Dr. Allard, I would like to discuss with you now for a few moments the interest that you acquired at Fort McMurray?

A Yes sir.

Q Fort McMurray is northeast of Edmonton some distance on the Athabasca River?

A Yes sir.

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Dr. C. A. Allard - Clement Ex.

Q Can you tell me approximately how many miles northeast, by air, let's say?

A Yes, it depends on what kind of a plane you are flying in Mr. Clement.

Q Let's say one that goes there fairly straight?

A It is about an hour and a half by air in a good aeroplane. The reason I say that is that I have been taking lessons and I flew up there recently myself in a small plane and it took me about two and a half hours. It is about two hundred fifty air miles, I think.

Q And northeast of Edmonton on the Athabasca River well over towards the eastern boundary of the Province?

A Yes sir, it is at the junction of the Athabasca and the Clearwater and I know it fairly well because I used to work on the boats out of Fort McMurray years ago when I went to the university.

Q By the boats, do you mean Northern Transportation?

A Well, in those days it was the Hudsons Bay Company.

Q Oh yes, and they were bought out by Northern Transportation?

A Yes.

Q So, you were familiar with the area?

A I knew the town of Fort McMurray.

Q I would like to put on the record the significance of Fort McMurray in recent years?

A Well I think that all of us know and certainly it is known around the world that near Fort McMurray are one of the largest or is one of the largest known oil deposits in the

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Dr. C. A. Allard - Clement Ex.

A (cont.) world.

In the days when I used to work on the boats up there there was a small plant operating that used to supply the boats with diesel fuel.

Q Well, this is what is known as the oil sands?

A Oil sands.

Q Yes, and the problem with the development of the oil sands has been defined as an economical means of extraction of the oil from the sands?

A Yes sir.

Q And there have been recent developments in the techniques of doing that and I would like to put on the record the developments that occurred in the Fort McMurray area, in the tar sand area in this decade?

A Well, prior to our recent interest in Fort McMurray it was well known that a very major project to extract oil was to be undertaken and that it likely was the first of more projects to come so that the future of Fort McMurray, to our minds seemed assured for many years to come because of these tremendous oil reserves.

Q A development that has just come to commencement, that is to say the operation, is Great Canadian Oil Sands?

A Yes sir.

Q And its plant started construction there, what was it, a couple of years ago?

A Well I think it was at least two years ago or more Mr. Clement.

1-P-6

Dr. C. A. Allard - Clement Ex.

Q And it is just within the last few weeks the plant was officially opened?

A Yes, I think about one month ago.

Q Yes. Well, with that background then Dr. Allard, would you tell the Inquiry how you came to be interested in the development in Fort McMurray?

A Well really it was my associate Mr. Lloyd Harris who got me interested in Fort McMurray again along with, I think most people in Edmonton, he was aware of what was going on in Fort McMurray and the potential of the town. I think it will probably soon reach city size and Lloyd Harris is interested largely in the development work, development of land and building of buildings so that he in February or March of 1964 went up to Fort McMurray. I would imagine that many other Edmonton businessmen did the same thing in those days.

Q There is some evidence of that.

A And he went there with the purpose of looking over the town and looking at the possibilities of future development.

Q But Dr. Allard, your association with him is carried in Chartered Investments Limited, am I correct in that?

A Yes sir. Mr. Harris owns half of Chartered Investments and Paris Investments owns the other half. I might have a qualifying share.

Q Yes?

A And probably do.

Q Well then Mr. Harris went up in the spring of 1964?

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Dr. C. A. Allard - Clement Ex.

A Yes sir, he reported to me sometime after he went there that he had talked with various officials in the town, I remember in particular Mayor Peden, I think probably the Town Secretary and among other people he talked to Father Lesage.

Q Had you known Father Lesage?

A I had met Father Lesage previous to this.

Q And what is the significance of Father Lesage, that the Oblate --

A Well, he was in charge of the Oblate Mission there and the Church owned quite a bit of land near the old centre of the old Town of Fort McMurray and it was this land that Mr. Harris felt was probably most suitable for a commercial type of development and I think in fact Mr. Harris determined on his visit or certainly on subsequent visits that it was the desire of the towns people to keep the future commercial area probably on this particular piece of land that the Church owned.

With that in mind Mr. Harris of course set out to determine whether or not he could acquire it and Father Lesage referred him to Bishop Piche who would be in charge of the disposition of the Oblate lands.

Q His diocese included Fort McMurray?

A Yes. So, when Mr. Harris returned he asked me if I could find out from Bishop Piche whether or not they wished to sell the land. I think that he had already determined from Father Lesage that they in fact did wish to sell the land.

Q Was any price mentioned in the discussion between Mr. Harris

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Dr. C. A. Allard - Clement Ex.

Q (cont.) and Father Lesage?

A Well I don't think so Mr. Clement.

Q Was there any intimation of competition for the land?

A Oh yes, Mr. Harris relayed to me that the Fort McMurray Land Company had been active in Fort McMurray, either acquiring or optioning what he thought was the bulk of the land that would form the new areas to be developed in Fort McMurray but they hadn't acquired all of it and I guess they hadn't exercised all of their options and I subsequently contacted Bishop Piche, I phoned over to the Oblate House in Edmonton to see what his movements were, he comes in and out of the City a fair amount and they told me when he would be visiting Edmonton which was sometime in April, as I remember and when Bishop Piche came on his next visit I phoned him and we arranged to meet.

Now, Bishop Piche told me that Fort McMurray Land Company had indeed been talking to him but they had never agreed on a price and he had never granted to them a firm option so, I asked Bishop Piche what price he wanted. He told me \$2,000.00 an acre and as I remember it, the parcel involved was about twenty acres, twenty-two acres, in that neighbourhood, that isn't an exact figure so, I agreed with Bishop Piche on the spot that we would pay him this amount and it was subsequently documented by his firm of lawyers in Edmonton and I think Mr. Burger acted on our behalf to confirm this arrangement.

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Dr.C.A.Allard - Clement Ex.

Q And effected the conveyancing?

A That's right.

Q Conveyancing, and the title was taken, I suppose, in Chartered Investments' name?

A Well, eventually; I am not sure it was directly in Chartered Investments', or whether it went to ---- I would think directly into Chartered Investments'.

Q Now, Dr. Allard, can you give us any information as to the course of action in respect of determining where Fort McMurray was going to expand, in what direction, when steps were being taken to plan and zone the expansion of the town?

A Well, I gather from my conversations with Mr. Harris that from -- almost from his initial visit there, that it was the wish of the townspeople to keep the commercial centre of Fort McMurray very close to the existing centre, and I believe that the Fort McMurray Land people, had they acquired this particular piece of land, had intended that it would be largely the commercial centre of Fort McMurray. I had no firsthand dealings with anybody in Fort McMurray -- I went there once, probably before the land had been transferred to us, just to refresh my memory of the old townsite and the exact location of this piece of land, because I hadn't remembered it -- this was many years ago that I was there -- and the town, incidentally, hadn't changed one iota in the interval; so that I gathered that -- from my conversations with Mr. Harris --- that it was the intention of everyone involved that this particular piece of land

1-M-2

Dr.C.A.Allard - Clement Ex.

A (Cont.) should be at least part of the future commercial section of Fort McMurray.

Q Was this visit you speak of before or after your discussion with Bishop Piché?

A It would be after my discussion with Bishop Piché, I am quite sure.

Q Up to this time you were relying completely on Mr. Harris?

A That's right.

Q This was to confirm your impression, then?

A Well, I felt I would like to see what was going on, Mr. Clement.

Q And you say you didn't speak or deal with anybody at Fort McMurray when you were there?

A Well, I spoke to Father Lesage, and I think that's all.

Q So that the carrying forward of whatever had to be done, aside from solicitor's work, was left to Mr. Harris?

A Yes.

Q And do I take it that all that you would know about what happened would be by information given to you from Mr. Harris?

A That is correct, Mr. Clement.

Q Did you have any active part, or any part of any description in the determination of the zoning?

A No, no part whatever.

Q Did you have anything to do with the Provincial Planning Board having regard to the fact that they made recommendations to the Town in respect of zoning?

A No --- . I did one thing, Mr. Clement: sometime after the

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Dr.C.A.Allard - Clement Ex.

A (Cont.) land had been officially approved by the townspeople for the development which Mr. Harris proposed, Mr. Harris came to me one day and said that the Fort McMurray Land people, of course, were upset, because we had purchased this particular piece of land, and were very active in trying to change the zoning of our land from something other than commercial, and to have some of their own land changed to commercial. This rather annoyed me because I -- by this time Mr. Harris had made many trips to Fort McMurray -- .

Q Yes let's see if I understand you -- at this moment of time the Town Council had determined on the zoning of the various areas we are interested in?

A Well, they had at least approved our land for commercial zoning, and I think they had also approved the development that we proposed to make on the land.

Q Yes, and then the Fort McMurray Company had gone to the Provincial Planning Board to try to get them to recommend a change?

A Well, this is what Mr. Harris relayed to me, and again it is secondhand information, but this was -- this is what was relayed to me.

Q Yes.

A So on one occasion -- and it would be sometime after the townspeople had officially approved the plans, I phoned to Mr. Morrison, the Deputy Minister of Municipal Affairs, just to say that I didn't think because Fort McMurray Land

1-M-4

Dr.C.A.Allard - Clement Ex.

A (Cont.) Company had not succeeded in buying this particular parcel of land that it should be rezoned to something else, because we happened to be the buyers and the present land owners.

Q And that was the entire extent of your communication with anyone in the Provincial Planning Board?

A That was the full extent of my communication with the government.

Q With the government -- that is all embracing, I take it, including Mr. Hooke?

A That is all embracing, including Mr. Hooke.

Q And the end result of this contest between Chartered Investments and Fort McMurray Land Company was what? Was there any change in the zoning?

A No, sir, there was not. Fort McMurray Land Company actually includes some friends of mine, and they came along later to suggest we might do it jointly, and we seriously entertained that possibility, and then there was some urgency in getting this development done because Fort McMurray was starting to have a lot of people from out of town arrive, and accommodation was needed, and Mr. Harris had given a commitment that we would get on with the project, so we went ahead on our own.

Q Yes, and what was the project that you went ahead with, Dr. Allard? You have spoken of acquiring land for commercial purposes, and I take it the zoning was for commercial purposes in respect of the land you acquired, and this was

1-M-5

Dr.C.A.Allard - Clement Ex.

Q (Cont.) in the immediate vicinity of the old commercial centre of the original town?

A Yes sir. Well, the first --- Mr. Harris had a hotel and shopping centre layout designed, and I believe the hotel portion of it was felt to be most urgent, and that was built first, but followed very quickly by a shopping centre section; and the full development has still not been built -- there is a considerable amount of land left that will require to be developed if we remain in the picture. I think that probably at the moment some small portion of the shopping centre is being added to. It wasn't exclusively a shopping centre: the post office is located there, and I think the bus terminal is there now located in the hotel. It probably is the focal point of Fort McMurray at the moment.

Q Yes.

A The downtown focal point.

Q Now, did you, through Chartered Investments or otherwise, become interested in a joint venture for development up there?

A Yes sir. We had hoped that most of the commercial development would take place on this piece of land, but there was a --- there were several -- two people: Mr. Romaine and his brother -- Mr. Romaine from Calgary, formerly of the Albertan, and a newspaper reporter, and his brother in Edmonton who is a member of the legal profession--- purchased some land, some lots not too far from our particular

1-M-6

Dr.C.A.Allard - Clement Ex.

A (Cont.) piece of land, and they went to the Provincial Government and obtained a lease for, I think, a liquor store and other government offices -- which departments I'm not sure, but -- .

Q That is, a commitment that the government would take space for these purposes in some building they were going to construct?

A Yes sir. Now -- .

Q Did you -- well, go ahead. This was the state of affairs when you came across the Romaine brothers?

A Well, I didn't come across them, Mr. Clement; they came to Lloyd Harris and they also talked to me because they ran into the problem that -- first of all, economically they didn't feel that they could do this development by themselves after they had looked at it for a while, and the reasons were quite obvious to us. First of all -- .

Q Just before you go into that, I want to have it clear in my mind -- when the Romaine brothers came to you had they then already obtained commitments from the Crown for leasehold space?

A Yes, very definitely.

Q So you had nothing to do with anything of that sort?

A No, no sir.

Q And they came to you, then, primarily for what purpose?

A They came to us for help, really. They had had a building designed which we didn't feel was economically sound. It was a more costly building than one needed to provide the

1-M-7

Dr.C.A.Allard - Clement Ex.

A (Cont.) kind of space they had agreed to provide; secondly, I think that they probably had some difficulty in arranging the financing for this project. At any rate, they came to Mr. Harris and they met with me on one occasion -- their dealings were largely with Mr. Harris --- and Mr. Harris undertook to get this building redesigned on what he thought was a more economic basis, to get the contractor that we had presently working in Fort McMurray to do the -- to negotiate a price with him. I think that he also changed the architects because he believes that the contractor and the architect should work together from the start in order to achieve economy.

Mr. Harris -- at least, Chartered Investments then paid their portion of the cost of the lots; North West Trust agreed to provide a first mortgage on the property, and in addition North West Trust was to earn a twenty-five percent interest in the project for providing the mortgage funds. Chartered Investments then ended with a twenty-five percent interest, and the Romaine Brothers between them a fifty percent interest. I'm not sure what their proportions were as between themselves.

Q To be precise, then, North West Trust took a bonus of common stock for the mortgage?

A Yes sir.

Q Chartered Investments took twenty-five percent for providing services and advice and so on, which were rendered?

A And cash.

1-M-8

Dr.C.A.Allard - Clement Ex.

Q And cash -- yes, very well; and so that project went on to completion then on that basis?

A Yes sir.

Q And there was no --- did you have any occasion to speak to anyone in government circles in respect to the project or carrying it forward to completion?

A No, definitely not, Mr. Clement.

Q Now, Dr. Allard, I wonder if we could go back to -- I think it was 1959 -- I believe that was the year that to your best recollection you first met Mr. Hooke?

A Yes sir.

Q In the late fall of that year, and would you then recount the development of your association with him?

A Well, I don't think that I met Mr. Hooke again until his wife became a patient of mine. Mrs. Hooke came to me as a patient in October -- September or October of 1960, and she required an operation which I performed on her in the latter part of October, 1960, and of course, I recall meeting Mr. Hooke again at the hospital when he came to visit her. Now, subsequent to that there were one or two minor complications -- not serious -- but for which I made a few house calls to the Hooke residence to see Mrs. Hooke.

Q The Hooke residence was where?

A Adjacent to Sherwood Park.

Q Yes?

A Outside of Edmonton east. Now, on one of these occasions -- this was getting pretty late in the year -- I remember that it

1-M-9

Dr.C.A.Allard - Clement Ex.

A (Cont.) was wintry and blustery -- Mr. Hooke had various horses, including some Shetland ponies, around the house. The Shetland ponies were fairly close to the back of the house and he on one occasion, after one of these calls, Mr. Hooke asked me the age of my children and would they like one of these Shetland ponies, and I said I thought they would; and at Christmas that year -- that would be 1960 -- Mr. Hooke gave my little daughter, who was about five years old at the time, a Shetland pony with saddle and fairly completely equipped. Now, this has become a very important event in the life of my family, because -- I feared that she might not go near this little pony, but it didn't work that way: she took to the pony and it has gone on ever since. My household is completely -- has been completely tied up with horses ever since that time.

Q Not race horses, I hope?

A Well, we have -- I have had to buy her a race horse that we thought might become a jumper, but not for the purpose of racing, Mr. Clement; but really it has been a very important event, by accident, in our family. These children ride every weekend, and during the week, and one of us is usually on the road driving them back and forth. The Shetland pony didn't last very long, and I have had to replace them with larger horses and a different variety. However, we are very pleased about it because we think it is a wholesome sport and we know where they are, and after the little girl started to ride the smaller little boy has

1-M-10

Dr.C.A.Allard - Clement Ex.

A (Cont.) followed suit.

Q Yes.

A Now, as a result of that, probably a year or two later I invited the Hooke's, for example, to attend a horse show to see the results of having given this gift. Beyond that there was nothing really to our relationship until Mr. Hooke himself became a patient of mine.

Q When was that?

A It was on July 1st, 1963. I had received a phone call from Rocky Mountain House where Mr. Hooke had been going through his riding -- I gather rather strenuously -- and the doctor there -- I believe it was a Dr. Hutton -- phoned me that Mr. Hooke had -- not collapsed, but semi-collapsed -- on this journey of his around his riding, and he had done certain tests which I --- hadn't revealed anything clearly to him, and would I arrange a bed for him at the General Hospital, which I did.

1-B-1

Dr. C. A. Allard - Clement Ex.

A (Cont.) and later on that day Mr. Hooke arrived in as a patient, and actually he was in quite good condition when he arrived, and I had various -

MR. MAYNARD: Mr. Commissioner, might I just interrupt a moment. I wish to advise you, sir, that the privilege between patient and doctor has been waived by Mr. Hooke.

A I had various consultants see Mr. Hooke at the time. It was obviously, or at least I didn't think it was a surgical condition, although the differential diagnosis did include some surgical possibilities. I had him seen by an internist and by a neurologist, and our conclusion was that he had two things; one, a labyrinthitis, an infection of the inner ear which is not uncommon. It is a virus condition that usually produces spells of dizziness and usually is not too long lasting, although it can last for several weeks. I think that other thing that was obvious was that Mr. Hooke was suffering from fatigue and I think chronic exhaustion, and one of the effects of this was that he had a hyperventilation syndrome. Now, this is a condition, not uncommon, where for reasons of anxiety or perhaps emotional distress the patient tends to breath rapidly and hyperventilate. The net effect of this is to change the p.h., the acidity of the blood, which affects the pre-calcium in the blood, and the net effect is to give muscle tremors, muscle spasms, twitching of the facial muscles. Once you know what it is it is easily corrected, if you can get the

1-B-2

Dr. C. A. Allard - Clement Ex.

A (Cont.) patient just to stop hyper-ventilating.

Q MR. CLEMENT: Take over a bit, eh?

A Another remedy is to breath into a paper bag where you increase carbon dioxide content and re-absorb it.

But these were the two things that we felt were wrong with Mr. Hooke, but basically the underlying factors were that he was just working too hard, and he was exhausted. Evidently on this trip to Rocky Mountain House he had been going pretty strong for about forty-eight hours, and this was the net result.

Now, there were other differential diagnoses but this was my opinion of what was wrong with him and it was the opinion of the other consultants that I had see him; and I felt that Mr. Hooke was still a relatively young man, what he should do is try and get a vacation for a reasonable length of time, probably a month or six weeks, and that his problems would disappear.

Q Dr. Allard, just at this moment, he was referred to you by Dr. Hutton, did you say?

A Yes.

Q Do you know whether Dr. Hutton phoned you, phoned you at Mr. Hooke's request?

A I would think probably at Mr. Hooke's request.

At any rate, I felt that Mr. Hooke should get away, and I kept at him for this in the next, I saw him fairly frequently, probably for the next year and a half. Now, by "frequently" I mean I would be in touch with him probably

1-B-3

Dr. C. A. Allard - Clement Ex.

A (Cont.) once every two weeks or so.

Q Did he get away for a holiday?

A Well, finally, this is, he had no particular place that he wanted to go.

Q But I mean in that year, 1963, did he go?

A Not for the rest of the year I don't think. Finally in January 1964 I suggested to him that if he had no other place that he particularly wanted to go that he go out to Victoria, and he was welcome to use the guest suite that we had in an apartment house that we had built out there.

Q This is Paris Investments?

A Paris Investments was the owner. This was an apartment that was fairly new at the time and in it we maintained a guest suite for the use of tenants of the apartment. The idea was that tenants who had visitors could rent this suite for the accommodation of their guests. Now, at the time Mr. Hooke went there the apartment was not all that full and the guest suite was usually empty and available, and I thought if he had no particular place that he wanted to go on his own that at least if he got out to Victoria, it wasn't all that warm, but it would do him some good.

Q Victoria I understand is quite a restful place?

A Yes sir, it is quite different from our bustling Prairies.

Q Will you describe the accommodation provided by this guest suite?

A Well, I believe it was a two bedroom suite with a living room, kitchenette area, bathroom.

1-B-4

Dr. C. A. Allard - Clement Ex.

Q And when it was taken by tenants for the accommodation of their guests, did Paris Investments charge the tenants for the use of it?

A Oh, yes sir, I think they would have, probably on a daily rate. This was, well, I hope they would have, this was the purpose of this.

Q Do you know what the charge might have been in 1964?

A No sir, I don't exactly, but I would guess that it probably was in the neighbourhood of, oh, eight to ten dollars a day on a daily basis.

Q Yes?

A A suite like that would have rented out probably for \$160.00 a month in the apartment.

Q Oh, I see, as a tenant's accommodation?

A Yes.

Q But this was a little fringe benefit for tenants of some duration?

A Yes sir, it was a device, if I should call it that, it was an incentive, a rental incentive for people to, an extra amenity.

Q Yes, exactly.

A To be provided.

Q So that it was in January you said you mentioned this to Mr. Hooke?

A I believe, well, I had been trying to get him somewhere for six months, and I think it was in January that he went.

Q And stayed there?

1-B-5

Dr. C. A. Allard - Clement Ex.

A And stayed there.

Q Do you have any information as to how long he stayed there?

A I don't recall exactly, Mr. Clement, I would think about three weeks, not long enough.

Q I see. Well, I am just coming to that point, "not long enough"; before he went to Victoria I suppose you examined him physically?

A Yes sir, I saw him fairly frequently in that time, I used to check his blood pressure, his pulse. He needed a certain amount of reassurance too, which I think was important to give by seeing him frequently.

Q And speaking generally, what was his condition, had these basic symptoms which you have described improved at all or were they still present?

A Yes, they had improved but they were still present and they really were present, Mr. Clement, for quite a long period of time. I would say up to two years after I initially saw him. In recent years he has been almost completely free of it.

Q I see, but in January of 1964 he was still suffering to some extent from exhaustion -

A He still had attacks, occasional attacks of dizziness, and he still had signs of what I thought were hyper-ventilation -

Q Yes?

A - syndrome.

Q Yes, and so then he went away?

A Yes.

Q And came back after, so far as you know, about three weeks?

1-B-6

Dr. C. A. Allard - Clement Ex.

A Yes, sir.

Q And then just tell us the course of your association with him after he came back?

A Well, this brings us to 1964, and again I saw him moderately often in 1964 for this condition; and when I didn't see him in the office he would check with me on the phone and let me know how he was doing. I felt that he was making progress but that a good rest was really what he needed, and he didn't seem to feel that he had time to take what was an adequate period to do this, although he, I think he enjoyed the three weeks in January, and he was able to get away again later in the summer of 1964, and again he went back to Victoria and he was very welcome so far as I was concerned, to use the accommodation that was there.

Q I see. What is your recollection as to the month in which he went back to Victoria for the second time?

A I think it was June or late May or June, Mr. Clement.

Q Fine, I believe the evidence is that it was in May, you would accept that?

A Yes sir.

Q That takes us then to June of 1964, he returned I suppose after a few weeks' stay there?

A Yes sir.

Q And did you continue to see him?

A Yes, I attended other members of Mr. Hooke's family in the meantime. I looked after his mother who was, and I operated on his mother, and I have forgotten the date for this, I

1-B-7

Dr. C. A. Allard - Clement Ex.
 - Gill Ex.

A (Cont.) haven't looked it up, but sometime after this. She was an elderly lady and a fine old lady, and she died following an operation, which upset Mr. Hooke again a great deal. I have also operated on his brother-in-law after that time, a Mr. Spaddy, who also had a very serious illness and had quite a serious post-operative course, he was in hospital for several weeks, so that I -

Q Something in the nature of a family doctor by now, eh?

A Well, in part, although these other things were primarily surgical conditions.

Q Thank you, Doctor, would you answer my friends?

THE COMMISSIONER: Mr. Gill?

MR. GILL EXAMINES THE WITNESS:

Q Thank you. You are still friends with Mr. Hooke, Dr. Allard?

A At the present time?

Q Yes?

A Yes sir, I am.

Q And this has been a long association now, since 1959?

A Yes sir.

Q And I think you told us yesterday it was about November 30th or somewhere then when you acquired Doral Developments Limited that you first met Mr. Hooke?

A We acquired Doral Developments I believe on October 30th, and my recollection of first meeting Mr. Hooke was subsequent to that.

Q Dr. Allard, in Exhibit 115 in these proceedings, a statement

1-B-8

Dr. C. A. Allard - Gill Ex.

Q (Cont.) tabled by Mr. Hooke and signed by him, he concludes his last paragraph with this statement:

"I met Dr. Allard for the first time on November 28th 1958."

Now, would Mr. Hooke be mistaken?

A I wouldn't say so, Mr. Gill, and I may indeed have met him at that time, but I have no recollection of it. This was about the time that Mr. Campbell had come to me to see if we were interested in negotiating a development on property not far from here, which was formerly owned by the Social Credit League, and it was about this time that these negotiations were taking place. Now, I did the negotiations with Mr. Orvis Kennedy and Mr. R. Daveys who is the president of the Social Credit League, and Mr. Bill Henning; and I remember meeting with them on more than one occasion. I do not recall specifically meeting Mr. Hooke at that time, although I may have done so.

Q This is the building that is sometimes known as the Steak Loft, is it?

A Yes sir.

Q I see, on Jasper Avenue?

A Yes.

Q Just immediately east of the Treasury Branch, is it?

A West of the Treasury Branch.

Q West. Well, did one of your companies buy this land and develop the building?

A Yes sir.

1-B-9

Dr. C. A. Allard - Gill Ex.

Q And was there another group or single company competing for this?

A Well, I understood there was, Mr. Gill, I had no firsthand knowledge of this.

Q What group was that, from your recollection?

A Well, I believe it was a group from Calgary. Let me see if I can recall their names now. I am not sure, I think a Mr. Cliff Walker might have been a member of this group, but I couldn't swear to it.

Q That issue was the matter of leasing to the Alberta Social Credit League, this was available, was it?

A I don't think that this was in issue, Mr. Gill. The Social Credit League wanted somebody to build this building, and they wanted an arrangement whereby they would be provided with a permanent home in the building. The premises they were in at the time occupied part of this site, but they were pretty dilapidated premises, and I think that they were looking for better space.

Q And your negotiations were mainly with the Social Credit League then?

A My negotiations were with these three people.

Q Not with Mr. Hooke?

A No sir.

Q I see, and Mr. Walker from your understanding led a group who were also trying to obtain the same -

A Well, I am not positive of this Mr. Walker, Mr. Gill, but there were, there was evidently a group, largely out of

1-B-10

Dr. C. A. Allard - Gill Ex.

A (Cont.) Calgary at the time, who were interested in making a proposal.

Q I see, and like last Saturday night, Calgary lost out again. Was Mr. Superstein, Jake Superstein involved in this?

A No, no sir, he was not.

Q So you dealt with Mr. Campbell in this matter?

A Well, I would say that Mr. Campbell, Mr. Campbell came to me, Mr. Campbell came to me and he brought me together with these three people.

Q I see, had you known Mr. Campbell before?

A Yes, I met Mr. Campbell I would think somewhere around June of that year.

Q This would be 1958?

A Right, when I had been introduced to him by a Mr. Hartley Bell, and at that time I had been discussing with Mr. Campbell the acquisition of this Beaver Land syndicate that we mentioned yesterday.

Q And you knew that Mr. Campbell was interested in promoting a townsite known as Sherwood Park?

A Well, I learned from Mr. Campbell, of course, that he had in fact developed what he prefers to call Campbelltown, prior to my meeting him.

2-P-1

Dr. C. A. Allard - Gill Ex.

Q You learned that from Mr. Campbell?

A Well, I very quickly learned when I first met Mr. Campbell that he was the Campbell of Campbelltown and probably Mr. Mr. Hartley-Bell told me that before he introduced him.

Q And in all these discussions Mr. Campbell didn't tell you that his business associate was Mr. A. J. Hooke?

A I don't think that Mr. Campbell at anytime indicated to me that his business associate was Mr. A. J. Hooke.

Q I see. Well did you know it then from other knowledge that Hooke and Campbell were associated together?

A I can't say that I had any knowledge that they were business associates Mr. Gill.

Q Even though you became interested in the Beaver Land option and syndicate?

A Yes.

Q In your business career here in Edmonton had you ever had occasion to come across a little company called Ideal Homes Limited?

A No sir. I learned about Ideal Homes subsequently, subsequent to Mr. Hooke becoming a patient.

Q I see, he told you about this, did he?

A I think this was one of the causes of his anxiety.

Q Was Mr. Hooke's anxiety partially financial?

A I would think so.

Q Some degree of financial stress?

A This was my impression Mr. Gill.

Q And Mr. Hooke's counsel, Mr. Maynard has told us that Mr.

2-P-2

Dr. C. A. Allard - Gill Ex.

Q (cont.) Hooke has waived his doctor-patient privilege; can you tell us therefore Dr. Allard did you discuss Mr. Hooke's financial problems with him?

A Not in any great detail Mr. Gill, I was interested in treating him as a patient and I did not particularly want to get involved in the detail in the financial part of his difficulties. He did tell me something of a story of Ideal Homes but not too much of it registered and I didn't think too much of it was significant to my professional relationship with him.

Q Except he was under some degree of financial stress?

A I gathered that it was the cause of his anxiety and for financial reasons in part.

Q Did you discuss any method of relieving this financial anxiety?

A No sir.

Q I see, but at least you did suggest to him that he go to your apartment in Victoria rent free?

A Yes sir. It never occurred to me to charge Mr. Hooke for that apartment.

Q And this apartment is called Regent Towers?

A That is correct.

Q And it is the one that has been the subject of some discussion in these proceedings before today?

A Yes.

Q And he had three weeks there in January of 1964?

A I would guess about three weeks.

2-P-3

Dr. C. A. Allard - Gill Ex.

Q And then at your suggesting or your urging he went back?

A I don't know whether urging would be the correct term, certainly I felt that he should get further time off, further vacation and certainly I made it clear to him he was welcome to go there.

Q Well, you wanted him to take some time off?

A Yes.

Q You felt this was necessary for him well, you are nodding doctor and that won't record on the transcript, do you mean yes?

A Yes.

Q And go ahead, I interrupted?

A I don't think there is anything that I --

Q Well, I am trying to get to the point doctor you were encouraging, if not urging Mr. Hooke to get away?

A Yes sir.

Q And due to his financial condition which you knew you were prepared to give him free rent in this Victoria suite?

A Oh, I didn't feel his financial condition was the reason he couldn't take a holiday. I felt he wouldn't get away from what he considered his necessary duties here in Edmonton. I don't think that I at anytime concluded that Mr. Hooke couldn't afford to go.

Q Well this condition that brought him from the hustings of Rocky Mountain House into the General Hospital where you obtained a bed for him occurred July 1st, 1963?

A That is correct.

2-P-4

Dr. C. A. Allard - Gill Ex.

Q And to your knowledge he didn't have a vacation from that time until January of 1964?

A That's true.

Q And the vacation that he took was in one of your apartments?

A Yes sir.

Q And it was rent free?

A Yes sir.

Q And then the next vacation that he took happened to be again in the same apartment in Victoria?

A Yes sir.

Q Again rent free?

A Yes sir.

Q Has he been back to that or any of your other apartments since May or June of 1964?

A No sir, no, not that I can recollect.

Q To none of your premises or apartments?

A No sir.

Q And did you become aware of this meeting where he was taken to or came to the South Bend Motel here in Edmonton? Did he talk to you about that?

A Yes sir, he informed me about that over the telephone probably a few days later.

Q And was he upset about that?

A I think he was appalled by it perhaps more than upset.

Q And this was due to the fact that some suggestion had been made concerning the matter of free rent?

A I gather that was part of it but I think that the whole

2-P-5

Dr. C. A. Allard - Gill Ex.

A (cont.) tenor of his meeting at the South Bend Motel is really what upset him perhaps more than the apartment portion.

Q I see, and there has been given in evidence, particularly by Mr. Leger, that Mr. Hooke was very nervous, pale, tense and broke down on a few occasions. Have you seen this happen?

A Yes, I would think that this was in a large part or certainly in part due to a condition I previously described Mr. Gill.

Q And he has broken down in your presence?

A I wouldn't say broken down but at that time his emotions were labile

Q Can you put that in layman's terms please?

A Well, certain things would produce an exaggerated response for example. For example I can recall him telling me that he had gone to the funeral of somebody he knew moderately well and tears came to his eyes that perhaps under ordinary circumstances they might not because it wasn't that close a friend.

Q Would you speak up Dr. Allard I think we are having a little difficulty hearing.

A I think that the ordinary emotional responses that he would have under ordinary circumstances were exaggerated, that if something occurred that made him sad that he would be more likely to cry than certainly he would, any of us would under normal circumstances.

2-P-6

Dr. C. A. Allard - Gill Ex.

Q Wouldn't this affect his judgment?

A I don't think to any great degree, perhaps it would Mr. Gill. That is a difficult question for me to answer.

Q I realize it because you took considerable time before you answered so I know that you were giving it very careful consideration. Doctor, now to get back to the more mundane world of business, you initially started borrowing from the Treasury Branches, you told the Commission, almost immediately you launched into business on your return to Edmonton?

A Yes, that is correct.

Q Was Mr. Olive one of the persons with which you did business with?

A How do you mean?

Q Well, did you approach Mr. Olive as Superintendent of Treasury Branches?

A Yes, I saw Mr. Olive very early in the game Mr. Gill.

Q I see, and began your substantial borrowings from the Treasury Branch through Mr. Olive?

A Well, through Mr. Olive and whatever Board approved these loans Mr. Gill.

Q His supervisory Board?

A Yes.

Q Or Board of Management. Did you appear before that Board?

A I don't recall that I ever did Mr. Gill although on one occasion I believe that I was introduced to some of the Board.

Q And that would be in 1948 or 1949?

2-P-7

Dr. C. A. Allard - Gill Ex.

A I would think 1949.

Q Do you remember who was president of the Social Credit League of Alberta at that time?

A 1949? No sir, I don't.

Q Are you a member of the Social Credit Party?

A Only in the last year Mr. Gill.

Q And before that have you made contributions to the campaign funds of the Social Credit Party or any member thereof?

A I have made two contributions Mr. Gill to the Social Credit Party.

Q In money I mean?

A In money, yes, both to Mr. John Campbell and both for a particular reason.

Q This is this Mr. John Campbell with whom you were associated in Beaver Land?

A That is correct.

Q When did these contributions take place?

A The first contribution would have been at the time of the election, probably immediately following the time I met John Campbell which was in 1958 so, the next election and I am not aware of what year that was probably would have been the time that I made the first contribution.

Q And what was this contribution for? I think you said a specific purpose?

A Well, I had never made a contribution to the Social Credit Party before and Mr. Campbell came along and said he wanted a contribution.

2-P-8

Dr. C. A. Allard - Gill Ex.

A (cont.)

Now, about that time some friends of mine, one in particular who is a doctor and on the Separate School Board, had related to me that the Government had recently appointed a Committee to study the curriculum of schools in Alberta and that this Committee which consisted of about, I am guessing but I think in the neighbourhood of twenty people, did not include one Roman Catholic educator although it was to be a Committee to study education in all of Alberta and evidently the Separate School system wasn't represented. So, I asked Mr. Campbell how much money he expected from me and I wrote him a cheque for that amount.

Q How much was that amount?

A \$500.00 and I said to Mr. Campbell please don't cash that cheque until I have had what I consider a satisfactory explanation for this obvious -- either oversight or whatever it was, on this Committee, Education Committee.

Q And did you manage to discuss with someone the personnel of that committee and get their wishes changed?

A I am not sure that I ever got a satisfactory answer Mr. Gill and to my knowledge the composition of the Committee was never changed.

Q I see, you are a Roman Catholic yourself?

A Yes.

Q And the second time that Mr. Campbell obtained money from you for the Social Credit Party was when?

A This last election Mr. Gill.

2-P-9

Dr. C. A. Allard - Gill Ex.

Q 1967 in May?

A Yes.

Q And how much was the contribution?

A The same amount.

Q \$500.00 and did it have a specific purpose attached to it?

A Well, by this time I was so annoyed at all the things that had happened immediately prior to the election, he didn't have much trouble getting it.

Q And no conditions to it?

A And no conditions.

Q Mr. Campbell didn't complain about the smallness of the amount?

A No, that was his figure Mr. Gill.

Q That was his figure?

A And I am glad it was.

Q You are glad that he was so reasonable?

A Well I am glad he didn't have higher amounts in mind.

Q Just be thankful you belong to that Party.

MR. MAYNARD: Whatever that means.

MR. GILL: Or that Mr. Maynard wasn't asking you for the money.

Q MR. GILL: Now, you proceeded in this matter of dealing with the Treasury Branch but not exclusively for your various companies?

A That's correct Mr. Gill.

Q Do you recall that you at one time were going to have Mr. Olive on the Board of Directors of North West Trust?

2-P-10

Dr. C. A. Allard - Gill Ex.

A Well, I come across that in reviewing this information that Mr. Olive was to be -- was considered as a shareholder.

Q Didn't he attend or wasn't he about to attend one of the meetings with Mr. Hughes?

A Not that I can recall Mr. Gill.

Q His name is in one of those Memoranda?

A Yes, I noticed that.

Q You noticed that. Did he ever become a shareholder of North West Trust Company?

A No sir, he did not.

Q Why was he thought to be a potential shareholder and director and right from the beginning when you were going to reactivate North West Trust?

A Well I think by this time he either had retired or was going to retire and of course, his experience would have been very valuable to us as a director.

Q Had you had discussions with Mr. Olive before his retirement from the office of Superintendent of the Treasury Branches about his becoming a director or officer and/or shareholder of North West Trust?

A Well I can't recall this Mr. Gill. Frankly when I saw Mr. Olive's name on this Memorandum it was a surprise to me but, in going back we may well have done so.

Q And he was also the man who was chiefly responsible for lending money to your various companies through the Treasury Branch?

A I am not sure that that would be an absolutely correct

2-P-11

Dr. C. A. Allard - Gill Ex.

A (cont.) statement Mr. Gill. I think that he had a Board.

Q But he was Chairman of that Board?

A He was Chairman of the Board.

MR. STEER: Well now, there was some other evidence on this point which I believe Mr. Gill didn't take into consideration in putting his question to Dr. Allard, sir.

MR. GILL: Well, I have no doubt Mr. Steer will clear it up.

THE COMMISSIONER: But I think if the question is being based on some premise that is wrong it should be corrected at this point.

MR. STEER: This is my submission sir that I do believe the evidence was, from one of the witnesses and I think Mr. Davey, that Mr. Olive had retired or it was either there or Mr. Hughes.

Q MR. GILL: Well, you don't remember?

A I don't remember.

Q Now, when did you first meet Mr. Jake Superstein?

A Well, I am not sure that I can answer that exactly. I considered this Mr. Gill, I got to know him certainly at the time that he became a Director or when he became a shareholder in North West Trust Company. Now, I may have met Mr. Superstein prior to that.

Q Had you had business dealings with him at all before he became a shareholder of North West Trust?

A No sir.

2-P-12

Dr. C. A. Allard - Gill Ex.

Q Had you met him before that?

A I probably had but I cannot recall on what occasion.

Q And who approached him to become a shareholder in the company?

A Well, at the time that we were activating North West Trust we retained Mr. Miles as a consultant and Mr. Miles subsequently became our first -- no, he subsequently became the managing director. At the time that we retained Mr. Miles as an advisor in putting the trust company together he had also been doing some consulting work for Mr. Superstein so I think it was Mr. Miles' suggestion that Mr. Superstein might be interested in becoming a shareholder and might be a person who would be able to provide business for the company and who might become a valuable director of the company.

Q And he took in 1958 some fourteen thousand shares of the company? This is what the records shows as I remember.

A As I recall he bought a total of \$20,000.00 worth of shares. Now, I don't know whether that fits the number or not.

Q Was he given some of the share options that some of the management and other people including directors had in North West Trust at a dollar a share?

A The matter of share options to me Mr. Gill, I don't recall share options except to the managing director. Now, just let me think about this.

Q Exhibit 253, the annual report for 1959 makes some mention of it. In Exhibit 253, the annual report to the Registrar

2-P-13

Dr. C. A. Allard - Gill Ex.

Q (cont.) of Companies of Alberta up to December 31st, 1959 is a note to the financial statement, share options held by management are outstanding on forty thousand common B shares. These options against which \$2,000.00 has been paid may be exercised at a price of one dollar per share until 1964.

A I think Mr. Gill that that was one option that was given to Mr. Miles or it might have been held by a nominee of Mr. Miles but, as my memory serves me, I think there was only the one.

Q No other parties held them?

A No.

Q And in 1959 when you changed from a private to a public company, the North West Trust Company, what was the value of the shares then, do you recall?

A The par value of the shares Mr. Gill?

Q No, the market value? What were they trading for on the market?

A Oh, I don't think there was any significant trading on the market Mr. Gill.

Q And they were being sold for their par value were they of a dollar a share at that time?

A I think so.

Q And in 1964, what were those same shares worth?

A 1964? I would have to review this aspect of the company's business Mr. Gill which I haven't done.

Q Well those options or that single option as you recall ever exercised by anyone?

2-P-14

Dr. C. A. Allard - Gill Ex.

A No, I don't think it was ever exercised Mr. Gill.

Q And Mr. Miles may have been holding for a nominee?

A Well, he might have been holding for a personal company of his own but, as I remember the option was given only to Mr. Miles.

Q I see. The nominee wasn't A. J. Hooke?

A Oh definitely not, sir.

Q Do you recall how much you had borrowed, your companies had borrowed from Chartered banks and other lending institutions before you changed completely to the Treasury Branch, in total?

A I would think about three quarters of a million dollars.

Q So when you borrowed a million and a half from the Treasury Branch one of the things you had to do was pay back this three quarters of a million to the separate banks?

A Yes.

Q So you did gain an increase in working revolving capital of three quarters of a million?

A No not really because at that time we had a credit at the Treasury Branch of about three quarters of a million as I recall.

Q I see, and at the moment and since you obtained that revolving line of credit, the line of credit is a million and a half?

A Yes sir.

Q On a constant basis?

A Well, I don't think that we constantly borrow this amount but my understanding is that this amount of credit is available.

2-M-1

Dr.C.A.Allard - Gill Ex.

Q In other words, it's almost like a continuous overdraft of up to a million and a half?

A Well -- .

Q For these companies?

A I don't think "overdraft" is the correct word, Mr. Gill. It is -- I think -- as far as I am concerned it is -- it is a line of credit to the extent of a million and a half dollars.

Q And you could -- and should, if good business practice is followed -- wouldn't you agree, Doctor -- borrow right up to -- .

A Yes sir.

Q It's there, and it's there to be borrowed?

A Yes sir.

Q And the interest rate is still six percent?

A No, I think the interest rate has been raised in the last few months to seven percent.

Q Seven. Do you know when it was raised?

A I can't give you the exact date, Mr. Gill, but I would say in the last three months.

Q Have you exceeded -- have any of your companies exceeded this line of credit, briefly?

A I hope not. We try not to exceed that line of credit. I think we would be very quickly informed if we did.

Q In your association with Mr. John Campbell do you know what you called that first Beaver Land area -- did you give it a name?

2-M-2

Dr.C.A.Allard - Gill Ex.

A I believe that the first area became Campbelltown Heights.

Q I see.

A And that was the small holdings that -- I don't recall if there was any name attached to this cemetery section.

Q What about the second piece of land that Doral acquired?

Did you give that a name? Again it was a small holdings type of thing?

A Well, I didn't give it a name, but I think that the name of "Whitecroft" or West or East Whitecroft -- .

Q West Whitecroft? Do you know where that name came from?

A Well, subsequently I think that Mr. Campbell told me that that was the name of the town where Mr. Hooke was born -- Whitecroft.

Q Whitecroft. You didn't know this when you initiated your negotiations with Doral Developments?

A No, sir; definitely not.

Q It was named after that, was it?

A I don't know whether it was named after that or not, Mr. Gill. Certainly I had no part in the naming of it.

Q By August 9th of 1960 -- . May I see Exhibit -- ?

MR. MAYNARD: 34 -- I hope I am right -- 31 -- oh, no, no 34.

Q MR. GILL: Mr. Maynard and I have the exhibits wrong --- that's the one -- transfer from Beaver -- .

MR. MAYNARD: 34.

Q MR. GILL: Would you show the witness this, please? I'm showing you a transfer, Exhibit 34 in these

2-M-3

Dr.C.A.Allard - Gill Ex.

Q (Cont.) proceedings. Have you see that before, Dr. Allard?

My Lord, it is a transfer of land dated August 9th, 1960, from Alfred John Hooke to Beaver Land Company Ltd.

A Well, I don't recall whether I saw it before or not, Mr. Gill, but I am familiar with what you are talking about here -- I have become familiar with it.

Q You weren't at the time?

A No sir. This Beaver Land transaction was to be handled by John Campbell on the one part as manager, and I think Angus -- Mr. Angus Macdonald at the time was the solicitor -- and I presumed that between the two of them they were handling it.

Q Did you know on August 9th, 1960, that Mr. Hooke was transferring this land to Beaver Land Company Ltd.?

A They may have informed me, Mr. Gill, but it certainly didn't make any deep impression on me because I wasn't concerned one way or the other, and I know the explanation for this, if you would like me to give it to you.

Q Well, we have had one that was most interesting and most involved. Can yours be fairly short?

A I will try. I understand that when John Campbell completed the purchase on behalf of Beaver of about forty-three acres, that Mr. Ball wished to retain one of the subdivided lots for himself, or his son.

Q I see.

A And the size of this subdivided lot was about three point some odd acres --- 3.2, perhaps; and this was agreeable to

2-M-4

Dr.C.A.Allard - Gill Ex.

A (Cont.) Mr. Campbell provided he returned to Beaver Land a parcel of equal size and approximately equal value. I understand that Mr. Ball made this -- made the arrangements to replace this parcel from his neighbor Mr. Hooke. I think that is the story in a nutshell.

Q And that is -- that story you have obtained since these proceedings began?

A Well, I would have to say that I certainly didn't pay any attention to it at the time it went on, Mr. Gill.

Q It was only after it became the subject of some discussion in this inquiry that you familiarized yourself with what happened?

A That's correct, Mr. Gill.

Q May I see Exhibit 270, please? Coming back to North West Trust Company's efforts to become an active trust company in April of 1958, did you ever approach Mr. Hooke or one of his deputies to have a meeting to discuss this matter?

A I never approached Mr. Hooke or talked to him at any time during the discussion of the activation of North West Trust Company, Mr. Gill, and I did not arrange a meeting -- I would say that the solicitors who were looking after this matter arranged a meeting with Mr. Hughes who was the Deputy Minister at the time.

Q Well, wasn't Mr. Hooke's name mentioned in your meeting with Mr. Hughes on April 9th, 1958?

A Not to my memory, Mr. Gill. As I remember, I -- believe me, this is nine or ten years ago and it may not be that accurate

2-M-5

Dr. C. A. Allard - Gill Ex.

A (Cont.) but my experience in talking with members of the Civil Service is that they usually refer to "The Minister" -- but if Mr. Hughes said he mentioned Mr. Hooke to me, then certainly I wouldn't dispute it. It could have happened.

Q In Exhibit 269 filed in these proceedings, which is a memorandum for the file dated April 9th, 1958, signed by Mr. Warr, as the Registrar of Trust Companies -- have you seen that memo?

A I probably have, Mr. Gill, although -- .

Q Entered many weeks ago. Mr. Warr says:

" Mr. Matheson and Dr. Allard suggested to Mr. Hughes that possibly he could discuss with The Minister the new proposals as outlined in the letter of April 9th. However, Mr. Hughes suggested they seek an audience and make their own presentation."

Do you recall having been given that advice, or making those suggestions?

A I don't recall that particularly, Mr. Gill, but I would like to make it very clear that at no time during this reactivation of North West Trust Company did I talk to Mr. Hooke, and to the best of my knowledge at no time did any of my associates talk to him.

Q Even though on April 10th, 1958, Exhibit 270 -- which is a two-page memorandum from Mr. Hughes as Deputy Provincial Secretary to Mr. Hooke as Provincial Secretary, talking about a telephone call of April 9th, and referring to the application, and saying:

2-M-6

Dr. C. A. Allard - Gill Ex.

Q (Cont.) " These people will probably appeal to you."

You have seen this memorandum of Mr. Hughes?

A I have seen it in recent times, Mr. Gill. I had no knowledge of what Mr. Hughes may have written to his Minister at that particular time.

Q And among the people that were mentioned by Mr. Matheson to Mr. Hughes as proposed officers and directors of North West Trust Company -- and I am looking at Exhibit 266, a memo of April 3rd, 1958, by Mr. Warr, he mentions A.K. Olive, formerly associated with the Provincial Treasury Branches; Dr. Rupert Clare -- .

A M-hm.

Q --- Dr. Charles Allard, Mr. C. B. Clark, formerly with the Toronto General Trust Company, Mr. John Klinck, manager of the North American Life Insurance Company; A. R. Matheson; Mr. Sam Belzberg, and possibly Mr. G. J. Bryan, Q.C. These were people that you had approached, had you, as potential shareholders, officers and directors?

A Oh, not necessarily me personally, Mr. Gill; the other original members, Mr. Matheson, Mr. Macdonald, Mr. Dickinson, and Mr. Miles, I think, talked to some of those people. Some of them certainly I would have talked to of that list -- Dr. Rupert Clare is a friend of mine, and he would have been one that I had talked to; Mr. John Klinck is a friend of mine -- although he was a friend of Mr. Matheson's, too -- but I think I would have approached -- I think I would have broached the subject to Mr. Klinck.

2-M-7

Dr.C.A.Allard - Gill Ex.

Q Who would broach it to A. K. Olive?

A I think probably I would have, Mr. Gill.

Q Who would broach it to Sam Belzberg?

A I would have, undoubtedly, Mr. Gill.

Q Had you been associated in business with Mr. Sam Belzberg before April of 1958?

A Yes, I had, I'm quite sure. I'm quite sure I had -- I'm just trying to remember specifically what. Oh, yes --- 1958 -- the Devonian Building, Gibralter Leaseholds, for one thing-- .

Q Thank you, Mr. Clement.

MR. CLEMENT: If it wasn't really material, I'm sorry.

MR. GILL: Just an alter ego, perhaps. Now, why would you have Mr. Sam Belzberg -- any particular reason?

A Well, I think that all of the people that we originally asked to come into the company were asked for -- first of all, we wanted people that could afford to be shareholders; and, secondly, as much as possible we would want directors or shareholders who could be helpful to the company; and certainly Mr. Sam Belzberg would be one of these -- he has wide interests and if he chose to use the trust company as a vehicle or trustee, perhaps, it could be very valuable to the trust company's business.

Q Mr. Belzberg did in fact become one of your first directors?

A Yes, he did.

Q And remained such until 1960, or so?

2-M-8

Dr.C.A.Allard - Gill Ex.

A I don't recall the exact date, but I do recall the circumstances when he left.

Q And those were -- ?

A Well, Mr. Belzberg and I had bought some buildings in Winnipeg, Mr. Gill -- .

Q It doesn't concern City Savings & Trust and its application to become a trust company?

A No, in no way.

Q Can we shorten it: there was a dispute over some Winnipeg buildings?

MR. G.A.C. STEER: I'm not sure whether Mr. Gill wants to --- .

MR. GILL: I'm not interested unless it concerns City Savings & Trust, Mr. Belzberg, or A.J.Hooke.

A No.

MR. G.A.C. Steer: Then, there's no need to go into -- .

A It in no way concerns -- .

MR. GILL: Definitely not -- if you would sit down and assist I wouldn't stand up and object.

MR. G.A.C. STEER: I'm trying to help.

MR. GILL: That will be a unique occasion.
(General laughter.)

Q MR. GILL: Getting back in form. So Mr. Belzberg and you parted company over this Winnipeg business?

A Yes, not -- I think amicably, but we did have a difference of opinion.

Q And was Mr. Superstein, Jake Superstein involved in the -- ?

2-M-9

Dr.C.A.Allard - Gill Ex.

A No, in no way.

Q And do you remember when Mr. Belzberg was active in trying to get City Savings & Trust Company a license as an active trust company in Alberta?

A No, by this time, Mr. Gill, we had separated; we had severed all our business relationships. I had bought out all the interests that we held jointly, and after that we didn't communicate about business things; so I have no knowledge of the details of Mr. Belzberg's application for City Savings & Trust.

Q And your association with Mr. Angus Macdonald terminated about the same time, did it?

A No, I would think Mr. Angus Macdonald left earlier. You see, Mr. Macdonald came to the Trust Company as a full time solicitor, and -- I hate -- I'm not anxious to bring these things out -- .

Q No, I don't think we are interested unless they concern the subject of the inquiry into Mr. Hooke?

A But Mr. Macdonald left to go into private practice.

Q And sold out his interest?

A And sold out his interests, I think, to Mr. Belzberg.

Q I see. I heard something of a connection there and that's why I was asking. When did you first meet Arthur Arnold?

A Well, I have met Mr. Arnold probably two or three times that I can recall. The first time I met Mr. Arnold at a dinner party given by a classmate of mine, Dr. J. W. Duggan, and it was a good many years ago. The next time I recall

2-M-10

Dr.C.A.Allard - Gill Ex.

A (Cont.) meeting Mr. Arnold was when the University residences were being built here in Edmonton, and I went to see him to find out if the government would be interested instead of owning the residences, in entering into a lease-back arrangement; and evidently the government was not interested in a lease-back operation -- a lease-back type of development, and nothing came of it.

Q I see, and did you have any business dealings with Mr. Arnold?

A No sir, I did not.

Q You haven't been associated in any companies that were associated with him?

A Well, Mr. Gill, I very nearly -- in fact I suppose in a way initially I agreed, if not to participate, to look at the Airport Hotel when Mr. Superstein was still a shareholder in the Trust Company; and if we were going to participate, the participation would have been through Paris Investments; and I believe that initially, the initial liquor application, or the application for a liquor permit was made by my associate Mr. Feldman, for the Airport Hotel; and then we began to have a good look at it. We knew, I think, at the time that the new International Airport was being built --- whether it had started construction in these years or not I don't know, but I think the location of the runways and the location of the terminal buildings probably were known about this time, and we came to the conclusion that this was not a good economic development.

2-M-11

Dr.C.A.Allard - Gill Ex.

Q Another example of your business judgment, Doctor?

A Well, I don't know that that is correct or not, but -- .

Q At least you stayed out of it?

A That's true, we stayed out of it from that point on.

Q Well, how does Mr. Arnold -- and Mr. Feldman -- how do they relate?

A Oh, in no way. Mr. Feldman, as I said yesterday, has been my business associate ever since we met back in 1953 or '4 and I do not go into any business ventures in which Mr. Feldman is not -- does not carry his share that we agreed upon back in 1954. He owns thirty-five percent of Paris Investments, and so if we were to form a company outside of Paris Investments now, which I hope that we don't get into any more companies -- but Mr. Feldman would be represented to the extent of thirty-five percent --- unless for some reason he didn't want to.

Q But he did make the application for the liquor license with the Airport Hotel?

A Yes, he did.

Q How did this involve Mr. Arthur Arnold, who was then Deputy Minister of Public Works?

A Oh, it didn't.

Q I see.

A It didn't, but you asked me if we had any connections with the company which Mr. Arnold might have been associated with, and by hearsay I hear that -- again without any first-hand knowledge -- that he might have been somehow connected

2-M-12

Dr.C.A.Allard - Gill Ex.

A (Cont.) as designer or something of that hotel; but at the time that I was familiar with it -- or at least at the time that we were interested in participating I had no knowledge that Mr. Arnold was in any way associated.

Q And since that time have you had any association, through your companies or yourself, with Mr. Arnold?

A No, I have not.

Q Do you know a Mr. John Holloway?

A Yes, I do -- well, when I say I know him: I have met him.

2-B-1

Dr. C. A. Allard - Gill Ex.

Q I see, and how did you happen to meet him?

A I met Mr. Holloway through Mr. John Campbell.

Q I see.

A You will recall that yesterday I mentioned that through Mr. Klinck we became interested in acquiring land in southwest Edmonton in the general area of, in the general area presently known as River Bend. Now, the first parcel of land that I acquired, perhaps before we acquired this first parcel of land I went to see Mr. Menzies at the City of Edmonton, to find out whether or not the City wanted this land within the City or whether it should be developed outside of the City. Mr. Menzies was very definite in his assurances to me that this land was to be brought into the City, he wanted it brought into the City, and probably would be serviced by him or by the City in about 1959. So, as a result of these, this conversation with Mr. Menzies and as a result of Mr. Klinck's high opinion of this section of land we acquired a great deal more land in the area. Mr. Menzies had suggested that the mechanics became easier if it were in bigger parcels, and we were interested to acquire more because it appeared to be, it should be a good investment.

Now, there was a great deal of difficulty finally, after we had acquired a lot of this land, about annexing it to the City. We made application to have it annexed, and about that time there was a movement to bring in a great deal of additional land. This land is immediately west of Whitemud Creek and north of 45th Avenue; and I think up until this time

2-B-2

Dr. C. A. Allard - Gill Ex.

A (Cont.) Mr. Menzies had only contemplated bringing in this particular area, which all told would probably total maybe nine hundred or a thousand acres; but when it came to the time of annexation, for a variety of reasons, a great deal more land was brought in. The boundaries of the City were extended for a further two miles, and from the river on the west side over the Calgary Trail on the east side, which, instead of being maybe a section and a half, I think represented about ten sections. Now, this land I think was annexed to the City, I think about the end of 1959.

At any rate, shortly after this it became apparent that the City was going to have a plan of development that, instead of leaving, instead of our land, if you like, the land that we had been accumulating, being one of the first to be developed, it was, which was the intention that Mr. Menzies very definitely conveyed to me, at the time he hadn't contemplated this additional land at all; that instead of this being in the early stage of development, a complete, a completely different schedule of development came out of the City in this other land, this other ten sections which was largely east of Whitemud Creek. Now, this was very disconcerting to me because we had spent a great deal of money in acquiring land west of Whitemud Creek and largely on the basis of conversations that I had had with Commissioner Menzies of the City, he had very definitely led me to believe that the City wanted this land in early, that he thought it would be serviced with utilities about 1959, and that it would

2-B-3

Dr. C. A. Allard - Gill Ex.

A (Cont.) be simpler for the City to deal with, the larger the blocks that were owned in one piece, or by one owner; so we had acquired more and more pieces of property in this area, and by the time it was annexed had a very considerable investment.

It became apparent in 1960 that Mr. Menzies either had changed his mind or had not conveyed this information to other members of his staff, because a completely different order of development came out, and this additional land that had been annexed was to have the priority for servicing and subdivision.

Q And you were annoyed about this?

A I was most unhappy about it, Mr. Gill, so I consulted John Campbell about this. In the meantime John Campbell, I had retained his services for looking at various parcels of land. He, I thought, knew what he was doing and had a good sense of land development.

Q When was this, Doctor?

A This would be early in, well, early in 1960 or say the spring of 1960. So Mr. Campbell said he would give it some thought, and he would, he agreed to be retained, agreed to a retainer.

Q Did you know by this time that Mr. Campbell had a close connection with A. J. Hooke?

A Well, Mr. Gill, until this day I am not sure how close Mr. Campbell and Mr. Hooke have been, or really are.

Q Well, did Campbell intimate to you that he could easily talk to the Minister, Mr. Hooke?

2-B-4

Dr. C. A. Allard - Gill Ex.

A No, this was not a subject that involved Mr. Hooke. I approached, I approached Mr. Campbell as an experienced land developer to retain his advice and his services in how to cope with this problem.

Q To try and correct what the City of Edmonton had done?

A Well, to try and get it back on track, so to speak. Mr. Campbell said he would and accepted a retainer.

Q In what sum?

A I don't recall, part of it was to come out of the sale of individual lots as they were made. By this time I was learning a little bit, Mr. Gill; it is better to delay your expenses until a return is coming in.

Q If it can be done?

A If it can be done, yes. At any rate, Mr. Campbell studied the Act, whatever the Act was, whether it was The Town Planning Act, I would imagine; and he came to the conclusion that, oh, in the meantime, in the meantime we had hired a Town, an actual Town Planner, a Mr. Danny Makale, to lay out a subdivision plan for this whole area of about nine hundred acres, which included our land and other people's land.

Q What is that area called now?

A Part of it is River Bend today. Now, this Town Planner was authorized to work with the City Planners by Mr. Menzies, which he did. He worked in conjunction with them to lay out a plan for this whole area of roughly about nine hundred acres, and I received a letter in 1958 from the City Planner, a Mr.

2-B-5

Dr. C. A. Allard - Gill Ex.

A (Cont.) Brown, who has since left, saying that the City approved this subdivision plan in principle.

Q Yes?

A And acknowledged that they were satisfied with the work that Mr. Makale had done. However, after the, after the land was annexed to the City I reasonably anticipated that, I thought that some of this subdivision plan would be registered and I, I thought that properly speaking in view of my conversations with Mr. Menzies, that some of it would also be serviced.

Q The best laid subdivision plans sometimes get adrift?

MR. CLEMENT: Gang aft aglee!!

Q MR. GILL: Yes, he is like Mr. Wilson, Mr. Reporter.

A At any rate I explained this situation to Mr. John Campbell fully and he studied the Act, and he came to me one day and he said "Well, I think the answer . . ." -

Q " . . . was Mr. Hooke."?

A Oh, no, Mr. Gill, no, in no way Mr. Hooke.

Q Well, Mr. Campbell is not a lawyer.

A Well, I don't think that lawyers necessarily, Mr. Gill, are the people most familiar with subdividing and subdivision.

Q No, but studying an Act, I take it you mean an Act of the Legislature?

A Yes.

Q I see.

A At any rate he came to me and said that he thought that what we should do is put in a formal application to the City

2-B-6

Dr. C. A. Allard - Gill Ex.

A (Cont.) requesting that parts of this subdivision be registered, and that in his opinion, if the City, in his opinion the City probably would not reply to the letter; and this is indeed what happened, there was no answer, and Mr. Campbell had determined that under the Act if you received no reply from the City within a period I think of six weeks then the matter could be appealed to the Provincial Planning Advisory Board.

Now, when Mr. Campbell came over to tell me that this was the route which he thought this should go, it was a Saturday afternoon, and he said "Well, why don't we go over and see Mr. John Holloway."

Q This would be in 19 -

A This would be in the summer of 1960.

Q The summer of '60, I see.

A And I agreed, and we did, we went over to see Mr. Holloway at his home, which is not too far from where I live.

Q He was then a member of the Provincial Planning Advisory Board?

A I believe so. And I remember the occasion quite well. Mr. Holloway was out in his garden and, you know, in his garden clothes; and Mr. Campbell explained this situation to him, I would say in ten or fifteen minutes, and Mr. Holloway confirmed that in the event that the City did not answer this application within a given period, and I think the period was about six weeks -

Q Had that period expired or not?

2-B-7

Dr. C. A. Allard - Gill Ex.

A No, the letter hadn't been sent in at that time, Mr. Gill.

Q I see, you were just canvassing means, you hadn't even fired in the application?

A Well, we were trying, I was interested in determining at that point whether or not Mr. Campbell's assessment of the Act in this regard was correct.

Q Was correct, yes?

A So Mr. Holloway confirmed that it was correct, that if the application was not answered in this given period of time, again I think six weeks, that the matter under the Act could then be appealed to the Provincial Planning Advisory Board.

Q And did this in fact happen?

A This is exactly what happened.

Q You sent in your application and hoped that they wouldn't reply, and they didn't -

A No, no.

Q - and you took it to the Provincial Planning Advisory Board?

A I don't think that is correct, Mr. Gill.

Q That was the plan though, wasn't it?

A No, no, it was not the plan, Mr. Gill. We sent the letter in to the City in the hopes that they would do what I think they should properly have done, and that is register the plan.

Q And this is what Commissioner Menzies had told you or intimated to you that he thought they would do?

A Mr. Menzies certainly had led me to believe since 1955 that this land would be developed probably around 1959, and serviced. Now, I had no conversation with Mr. Menzies about

2-B-8

Dr. C. A. Allard - Gill Ex.

A (Cont.) this particular application, because by this time it was obvious that the City were not going to follow the plan that he had outlined to me, so that the application that was sent in to the City was sent to have a portion of our subdivision registered, and it was not my hope that they would not answer the application. It was my hope that they would comply with the request and register the subdivision, but in the event that they either refused it or did not answer it, then we had determined we had the right to appeal to the Provincial Planning Advisory Board.

Q And you had already been to Court beforehand by seeing Mr. Holloway?

A Mr. Holloway had confirmed that this method of procedure was proper.

Q And did he sit on the Provincial Planning Advisory Board that finally approved registration of this subdivision plan?

A Yes, he did. This appeal was heard, as I remember, about November 1960, and I was present, I went with Mr. Burger, our solicitor for this. Mr. Holloway was one of the Board members.

Q And Mr. Hooke sat on that Board?

A Oh, no, Mr. Gill, this was a Board of five members, and I don't recall who they all are, but I remember that Mr. Holloway was the Chairman of the Board.

Q I see, you don't remember who sat on the Board in actual personnel?

A I can't remember the other four men.

2-B-9

Dr. C. A. Allard - Gill Ex.

Q You hadn't interviewed any of the other four previous to the application?

A No sir.

Q But you had seen Mr. Holloway?

A I had seen Mr. Holloway on one occasion.

Q Had you further dealings with Mr. Holloway?

A Well, not directly, but about two years later, in 1962, again, Mr. Campbell by this time was familiar with this Southside property and he knew that we were interested in providing a better grade rental accommodation such as Town houses, or, they have some other names, but really it is a fancy name for row housing, that we were interested in doing a good rental development at the upper end of the rental scale for that type of thing, because we were convinced that there was a market for this in Edmonton, a market that had not, a demand that has not been supplied, and I think this is still true today, we still would like to build some of these Town housings.

Q Did Mr. Holloway become involved in this?

A Well, I asked Mr. Campbell, there is very little experience on how to lay these out on a piece of land from the point of view of landscaping, and not the architectural design so much as the layout of the land.

Q The placing of it on the ground?

A The placing of it on the ground. So Mr. Campbell, knowing this, said "Well, Mr. Holloway is a surveyor, he is, he should be as familiar or more familiar with this kind of

2-B-10

Dr. C. A. Allard - Gill Ex.

A (Cont.) thing than anyone; I will get him to do it."; and he went to Mr. Holloway, told him what we wanted, and Mr. Holloway did some layout plans for us.

Q Was he paid for this?

A Yes, he was.

Q And he was still a Civil Servant at the time?

A Yes, he was.

Q And a member of the Provincial Planning Advisory Board?

A I could not swear whether he was still a member or not, but he may well have been, Mr. Gill.

Q I see, and was anything paid to him for his advice in the back garden concerning making the application to the City of Edmonton, their not answering and then taking it before the Provincial Planning Advisory Board?

A Certainly not, Mr. Gill.

Q I see, and have you ever discussed with Mr. Hooke Mr. Holloway?

A No sir, I don't think I have ever had any conversation.

Q You could have done?

A Possibly.

Q I see, and have you had anything further to do with Mr. Holloway, either professionally or otherwise?

A No sir, I don't think I have seen Mr. Holloway since that Provincial Planning Appeal Board Hearing.

Q Oh, he had laid out your upper scale row housing before the Provincial Planning Advisory Board Hearing on your subdivision?

2-B-11

Dr. C. A. Allard - Gill Ex.

A Oh, no, Mr. Gill.

Q Oh, I thought you said the last time you saw him was that Hearing?

A Yes, I never did see him about the layout of this subdivision, Mr. Campbell looked after it, at least I don't think that I ever saw him, and to the best of my memory the last time that I saw Mr. Holloway was at that Hearing, which was 1960, November 1960.

Q I see, and when did he do this layout of the housing?

A I would say in the spring of 1962, because I found a record of payment that was made to him.

Q And the payment was how much?

A The payment was \$400.00 and it was made in June, June 26th 1962.

Q You made this inquiry after this Commission started, and the matter had come up before?

A Yes, Mr. Gill, because when I heard that Mr. Holloway had mentioned this I had absolutely no recollection, but when I went back to the records then the story came back.

Q I see. Which company paid him?

A Paris Investments.

Q Paris. Do you know a Mr. Shep Kaplain?

A No sir, I do not.

Q What about Jack Weber, have you ever met him?

A Oh, yes, I knew Jack Weber.

Q You have done some dealings together, has he sold you land?

A No, I have known, as a matter of fact when I was a youngster

2-B-12

Dr. C. A. Allard - Gill Ex.

A (Cont.) I used to live next door to Jack's cousins, and I have known Mr. Weber for many years, not well. We bought one parcel of land from Mr. Weber down on Jasper and 111th Street many years ago.

Q Did he ever try to interest you or any of your companies in land in the southeast area which is now Sherwood Park?

A No sir, he did not.

Q You never were approached concerning that land?

A No sir.

Q I see, by anyone?

A Only the land that we have spoken about in this Hearing to date, Mr. Gill.

Q I see. And, Mr. Commissioner, that ends a particular branch of my examination, it might be a proper -

THE COMMISSIONER: Yes, we can adjourn at this point.

(The Hearing stood adjourned at
11:07 and resumed at 11:30)

3-P-1

Dr. C. A. Allard - Gill Ex.

THE COMMISSIONER: Mr. Gill?

Q MR. GILL: When did you first begin to become interested in the development of Fort McMurray Dr. Allard?

A I think it was about February or March when Mr. Harris made his trip up there and reported back to me.

Q I see, and what was your relationship with Mr. Hooke by this time?

A Well, Mr. Hooke was my patient at this time and I would say I know him moderately well.

Q You were by this time beyond the relationship of doctor and patient, you were friends?

A We were friends, yes.

Q Did you know that he was the Minister in charge of the new town act in the matter of Fort McMurray?

A Yes I did.

Q Did you discuss Fort McMurray with him?

A No I did not.

Q At no time?

A I discussed Fort McMurray with him very briefly after he had returned from Victoria and had attended that meeting in the motel because it was brought up to him at the motel and I gather it was the first time he had learned of my interest in it and probably was surprised at it so I confirmed to him that we had indeed purchased land in Fort McMurray.

Q That would be your purchase from Bishop Piche?

A Yes.

Q You hadn't discussed that purchase with Mr. Hooke before

3-P-2

Dr. C. A. Allard -Gill Ex.

Q (cont.) you made it?

A No I did not.

Q But there was some degree or urgency in your purchase of that land from the Bishop?

A Well only to the extent that Mr. Harris felt that it would be a profitable investment and that if we didn't buy it pretty soon somebody else would.

Q Did you know of the other price offered by the McMurray Development Company?

A No I did not. I thought they had offered the same price or that they knew the price was \$2,000.00 an acre but had failed to either get an option or agreement for sale or had failed to meet it.

Q I see, and once you decided that you would purchase the land you moved quickly?

A I would say so, yes.

Q Yes, you saw the Bishop at the Oblate House here?

A Yes.

Q And you actually finalized the transaction although not in documentation but you made the deal there?

A Yes sir, that's correct. We reached an agreement that night and followed it through on that basis.

Q Had you met the Bishop before?

A Yes, yes I had.

Q In some of your associations in the Roman Catholic community?

A Yes.

Q Getting back briefly to North West Trust Company, did Mr.

3-P-3

Dr. C. A. Allard - Gill Ex.

Q (cont.) Tankoos, Joe Tankoos become a shareholder of that company?

A Yes he did, I think he is still a shareholder Mr. Gill.

Q On your recommendation?

A Yes, I felt that Mr. Tankoos' very extensive business interests not only in the United States but in Canada could be of value to the trust company if he cared to make them so.

Q But you didn't make him a director?

A No sir.

Q When did he first become interested, at the time you sold the North West Utilities Building to him?

A I can't answer that Mr. Gill. He may have been a shareholder before that. I would have to go to the records.

Q I see, but your first meeting was in connection with the Northwestern Utilities Building when you met him?

A Oh no, I had known Mr. Tankoos for --

Q Oh, that is right, you had visited him in New York?

A I had known him probably for several years before that.

Q And he had tried to buy the Devonian Building from you?

A Yes he had.

Q And did you know that Mr. Hooke executed the lease in that North West Utilities Building?

A I may have been aware of it at the time but it certainly didn't register with me, if you like, until this inquiry came along.

Q I see, and can you just go over it again how that fee to

3-P-4

Dr. C. A. Allard - Gill Ex.

Q (cont.) North West Trust Company in connection with the sale of that building, how was that worked out again?

A Well --

Q Mr. Superstein didn't pay what you felt was his share?

A Well, I don't know whether it is fair to put it that way or not Mr. Gill. I felt that the North West Trust Company should get a good fee and I also felt that Great West Life Company was entitled to a commitment fee although, as I remember, we had made no legal obligation to pay them a commitment fee but, they asked for it and I felt that they were entitled to it and I, for the sake of good relations and, future relations, I wanted to see it paid.

Q And Mr. Superstein didn't agree with you?

A Well, to the best of my recollection Mr. Superstein felt that collectively there were too many, the fees were too high.

Q Well, just how was the fee of \$3,543.90 charged by North West Trust Company as it appears in Exhibit 346 arrived at, doctor?

A Well, the fee that we paid to Great West Life was \$3,000.00 as I remember and I felt that North West Trust should get no less. Where the five hundred and some odd dollars came from Mr. Gill I wouldn't know unless they were disbursements or maybe it was the amount left over. I have no idea.

Q I see but it was the subject of considerable discussion?

A I wouldn't say considerable discussion. I felt the trust company should be given a decent fee and I also felt that

3-P-5

Dr. C. A. Allard - Gill Ex.

A (cont.) Great West Life were entitled to a commitment fee even though I don't think at the time that we were legally obligated to pay it.

Q You didn't think at that time that North West Trust Company should advance the mortgage itself?

A No sir, it was too large a mortgage for North West Trust Company.

Q What was the amount of the mortgage?

A \$300,000.00.

Q That sum has since not concerned North West Trust and North West Trust is now in a position to advance mortgages of that size and has done so?

A Yes.

Q In that connection, the North West Trust Company is still registered under the Trust Companies Act of the Province of Alberta?

A Yes sir.

Q And it regularly submits to an audit?

A Yes sir.

has

Q And/the condition of that audit regularly been in order?

A Well Mr. Gill, since we commenced operation of North West Trust Company the Act under which we operate has been changed or amended several times. Each time that an amendment takes place certain of the investments that may have been made previous to that change may become unauthorized as a result of the amendment and the last Trust Company Act that was passed, this year, of course,

3-P-6

Dr. C. A. Allard - Gill Ex.

A (cont.) would have made a great many of our previous investments which were authorized before that, unauthorized. The same sort of investment would no longer be authorized under the new Act.

Q Well is it true at the moment, technically, you are in default under the Alberta Trust Companies Act?

A No I would not say so Mr. Gill, I think that the Act was not made retroactive and that investments which were made under the Act up until each amendment are not in default because of retroactive legislation.

Q You also come under now the surveillance of the Federal Government?

A That is correct.

Q As far as North West Trust Company is concerned and is it true doctor that the Federal Government at the moment is concerned about your investments by the North West Trust Company but that the Provincial Government doesn't bother you, is that correct?

A No, that is not correct Mr. Gill. In fact, within the last ten days we have been in receipt of a letter from the Deposit Credit Insurance Corporation which is the body that will be concerned with administering trust companies which are not Federally incorporated and due in part to this Inquiry I haven't read this letter/minute detail but, they have gone over a list of various things including accounting procedures that they would like brought into line, I would say generally with the Federal Act over a reasonable period

3-P-7

Dr. C. A. Allard - Gill Ex.

A (cont.) of time but I think that the Federal authorities will, through the Deposit Insurance Corporation, will be regularly inspecting all provincially registered companies who have deposit insurance.

Q This Federal organization, are they not complaining about some matter of \$2,000,000.00?

A I don't recall that figure --

Q In that neighbourhood?

A -- specifically. I wouldn't know -- first of all I would take exception to the word complain.

Q Well, a deficit or an improper investment to that amount?

A No, I don't think that is the correct terminology at all. I think, I have chatted with the inspectors from the Federal Deposit Insurance Corporation and they are very much aware that in Alberta that when the initial trust companies were registered there was a very loose act that there have been subsequent amendments and they, I think, are very much aware that as of today probably no Alberta trust company will comply with the Act as it exists today.

Q Aren't they alleging --

MR. CLEMENT: Well Mr. Commissioner I don't know that Mr. Hooke has any control over the operation of the Federal Government and I am at a loss --

MR. GILL: The next few questions will bring it out Mr. Clement and I will perhaps help you right now.

Q MR. GILL: Aren't they complaining that you in effect, North West Trust Company, are being protected by

3-P-8

Dr. C. A. Allard - Gill Ex.

Q (cont.) the Alberta Government?

A Oh, I have never heard of this allegation Mr. Gill.

Q But isn't that, with respect, what their allegation is that the Alberta Government has thrown a shield around the North West Trust Company?

A Mr. Gill, this is definitely not so to my knowledge.

Q But you have one Government body, the Federal Government complaining or, at least, being exercised about your lack of type of investments, about various matters, correct?

A No sir, I don't think this is correct.

Q But they have written a letter of complaint?

MR. CLEMENT: Mr. Commissioner, now, we are getting into quite an area of innuendo again. My friend is founding this line of cross-examination on a letter which has been referred to. Perhaps it should be brought so we can see the foundation for this.

MR. GILL: I would like to see the letter.

A Well Mr. Commissioner, I don't feel that this matter has anything to do with the subject matter of this Inquiry.

THE COMMISSIONER: Mr. Steer?

MR. STEER: I must say I agree with my friend Mr. Clement. The approach taken by my friend Mr. Gill appears to be a general allegation of some Government protection. This is not the field of this Inquiry at all. This Commission is inquiring into Mr. Hooke and I have seen or heard nothing to date relating to Mr. Hooke and the dealings between North West Trust Company and the Deposit

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Dr. C. A. Allard - Gill Ex.

MR. STEER: (cont.) Credit Insurance Corporation are dealings between that company and the Federal Government and it is a problem to be solved between the North West Trust Company and the Federal Government and in my respectful submission sir is beyond the ambit of this Inquiry.

THE COMMISSIONER: Mr. Wright?

MR. WRIGHT: Perhaps my learned friend has forgotten that Mr. Hooke is a member of the Government.

MR. STEER: I have forgotten no such thing, sir.

Q MR. GILL: Dr. Allard, have you discussed this problem of the Federal agency intervention with your friend Mr. Hooke?

A No sir, I have not.

Q Have any of your companies through their agents in any way discussed this with Mr. Hooke or his deputy?

A No sir, not to my knowledge.

Q And has the Department of the Provincial Secretary been involved in this, of the Government of the Province of Alberta?

A Not to my knowledge.

Q So you don't consider that the agency of anyone in the Alberta Government has been used to the advantage of North West Trust in this dispute with the Federal agency?

A No sir, I do not and I don't think there is any dispute with the Federal agency Mr. Gill.

Q I see. Do any of your companies rent space to the Provincial Government?

3-P-10
Dr. C. A. Allard - Gill Ex.

A At this moment do you mean?

Q At this moment?

A Not that I can think of Mr. Gill.

Q I see, when did they last rent space to the Government of the Province of Alberta, any of your companies or companies with which you have been associated?

A Well, Acron Development is the company we spoke about earlier that was formed by the Romaines in Fort McMurray and they had a Provincial Government lease which terminated when the Provincial Government decided with the Romaines that they wished to purchase that building either early this year or late last year.

Q Who negotiated that purchase?

A I would think Mr. Romaine from Calgary, Mr. Ed. Romaine.

3-M-1
Dr.C.A.Allard - Gill Ex.

Q And that has now become what is called commonly "The Public Building" in Fort McMurray?

A I wasn't aware that that was what it is called, Mr. Gill.

Q And in it is housed the Alberta Liquor Store?

A Yes, I think so.

Q And some government agency offices?

A Yes.

Q Of the Alberta Provincial Government?

A Yes sir.

Q And that sale took place late '66, or early '67?

A Yes sir.

Q Do you recall the sale price?

A No, I don't exactly. I recall, though, that a profit was made on the sale of the building.

Q Yes -- .

A And this profit was divided according to the shareholdings: fifty percent to the Romaines, twenty-five percent to Chartered Investments; and twenty-five percent to the North West Trust Company.

Q This was the twenty-five percent that North West earned as a share bonus for advancing the mortgage money?

A Yes sir.

Q How much was the mortgage, do you remember?

A No, I don't; I would have to look that up, Mr. Gill.

Q Could you give it in round figures at all, Doctor?

A Well, they would be quite round; I would think anywhere from 150 to 250 thousand -- somewhere in there.

3-M-2

Dr.C.A.Allard - Gill Ex.

Q Do you remember the term of the provincial government lease with Akrom of that building in Fort McMurray?

A No, I don't exactly, but I think it was for five years -- oh, and there was an option to the government to purchase the building.

Q And they exercised that option?

A Yes sir.

Q And do you recall when the lease started?

A I don't recall the date definitely, Mr. Gill, but I would imagine it would be 1965, or '66 -- at the latest.

Q Because you only entered into the venture in -- 1964, was it?

A Well, we didn't go up there until 1964, and the Romaines came along somewhat later, so I would say --- I don't think it could have been finished before 1965.

Q I see. You didn't have anything to do with the actual negotiations of either the lease or the sale of that building?

A That is correct -- in no way, Mr. Gill.

Q Did North West Trust have anything to do with that?

A No.

Q The Romaines did it?

A The Romaines acquired the lease, and they did whatever negotiations took place with the provincial government.

Q And do you know what department of government they were negotiating with?

A Yes, I think Mr. Colborne's department, the Department of Public Works.

3-M-3

Dr.C.A.Allard - Gill Ex.

Q Were they negotiating at all with Mr. Arnold during his tenure as Deputy Minister of Public Works? Did they discuss that with you?

A Not to my knowledge, they didn't discuss that with me, and to my knowledge they did not.

Q And had you discussed this lease or sale of the building in Fort McMurray with your friend Mr. Hooke?

A No sir, in no way. He didn't enter into it in any way.

Q But you have discussed Fort McMurray with him?

A Only --- only when he phoned me, Mr. Gill, following his meeting in the South Bend Motel -- I guess that occurred in 1964 -- to tell me that this subject had been brought up, and to express his surprise that we were interested in Fort McMurray.

Q Had Mr. Hooke received, by way of nomination or beneficiary in any way, any of the shares of your companies that were interested in Fort McMurray?

A Definitely no.

Q To your knowledge?

A To my knowledge, yes. Certainly he received none from me, Mr. Gill, or my associates.

Q Have you given any money to Mr. Hooke?

A No sir.

Q And Mr. Hooke gave you this Shetland pony many years ago?

A Yes sir.

Q And that started the "Allard riding stable"?

A I'm afraid it did. Sometimes, Mr. Gill, I think if you don't

3-M-4

Dr. C. A. Allard - Gill Ex.

A (Cont.) like somebody what you should do is give them a horse.

(General laughter.)

A It starts a long train of expensive -- .

Q You may have an Olympic competitor, I understand. Have you ever given a horse to anyone?

(General laughter.)

THE COMMISSIONER: I don't know that that is particularly relevant, Mr. Gill.

MR. CLEMENT: What color?

A No sir.

MR. GILL: A dark one.

MR. WRIGHT: A Trojan horse.

MR. GILL: And you can't value this guest suite that you gave to Mr. Hooke in dollars and cents exactly?

A Well, I think we can come pretty close, Mr. Gill. This sort of a suite in those years would have rented on a monthly basis for about \$160.00 a month.

Q And on a day basis, eight or ten dollars?

A On a day basis I would say eight to ten dollars.

Q How did you happen to get to know Mr. Spady who is a brother-in-law of Mr. Hooke? Was he referred to you by Mr. Hooke?

A I think the brother-in-law -- I think he probably did come to me through Mr. Hooke. He was found by his -- I guess the Cancer Clinic -- to have a cancer of his colon, and then, of course, he would have the right to elect whatever

3-M-5

Dr.C.A.Allard - Gill Ex.
 - Bowen Ex.

A (Cont.) surgeon he wished, and I am quite sure that Mr. Hooke probably would have recommended me.

Q And you performed surgery on Mr. Hooke, his brother -- his brother-in-law Mr. Spady -- his wife and his -- ?

A No, I performed no surgery on Mr. Hooke.

Q No, that's correct -- merely advised in that matter?

A No, he didn't -- he didn't have any surgery, since I have known him.

Q When he came to you from Rocky Mountain House you got a bed for him in the General Hospital, but there was no surgical procedure indicated at that time?

A Well, there was a difference of opinion about that, Mr. Gill, but he didn't have any surgical procedure.

Q I see. Have you discussed this Commission with Mr. Hooke?

A Oh, yes, I have, on the phone -- I don't think I have met -- I don't think I have seen Mr. Hooke in person for several months.

Q It doesn't appear to have increased his tension or stress?

A Well, if it doesn't it will be a miracle, Mr. Gill; I think that one would normally expect that this sort of thing would increase anybody's tension and stress.

Q But he hasn't come to you in the way he did in July of 1963?

A No, he hasn't.

Q Thank you.

THE COMMISSIONER: Mr. Bowen?

MR. BOWEN EXAMINES WITNESS:

Q Dr. Allard, I think you told us that you started your business

3-M-6

Dr.C.A.Allard - Bowen Ex.

Q (Cont.) ventures in Edmonton in 1948.

A Well, I suppose that they could go back to a paper route before that.

Q I'm talking about the successful ones.

A The paper route was quite successful in those days.

Q In any event, you have been building up your very successful business ventures now for a matter of nineteen years in the City or in the Province?

A That is correct, Mr. Bowen; I wouldn't want to represent that all of them were successful.

Q Right; and during that time I suppose you learned a number of things about business; is this correct?

A Well, I practically started from scratch with no training, so there was only one thing I could do was -- .

Q Amongst other things I am sure that you learned the value of knowing people in the right places in business; is this not true?

A The value, Mr. Bowen, or the opposite: the lack of value, at least the disadvantage of knowing people has become very apparent to me, too -- perhaps more so than the question you phrase.

Q So there can be disadvantages and advantages, Doctor?

A I have come to the opinion, Mr. Bowen, that in dealing with government that it is probably a distinct disadvantage to know anybody in high office in government.

Q Well, now, let's just pause for a moment and talk about people in business -- and I think you have told us that Mr.

3-M-7

Dr.C.A.Allard - Bowen Ex.

Q (Cont.) Tankoos, for instance, was in North West Trust?

A That's correct.

Q And your evidence was that his wide business association on the Continent would be of value to North West Trust?

A That is correct.

Q And I am sure that when Mr. Belzberg was invited to come into North West Trust -- I believe by yourself, sir --- you did this because you felt that there might be advantages to be gained by his associations?

A Quite -- his business associations.

Q Quite; so that getting back to my original question, there -- you became aware that there were advantages to be gained in knowing influential people in business?

A In business, yes.

Q All right. Now, then, during the late 1950's, Doctor, you were engaged quite heavily in land development surrounding the City of Edmonton?

A That is correct.

Q And at that time, if my memory serves me correctly, you were participating far more personally in these developments than you perhaps do today in your business?

A Well, I don't know whether that is a correct statement or not. I think, Mr. Bowen, you perhaps are referring that I appeared before Council in person at one time and that I no longer -- .

Q This is exactly what I am referring to. In any event, you did participate personally in these land developments?

3-M-8

Dr.C.A.Allard - Bowen Ex.

A Yes sir, and I still do.

Q And you appeared in front of elected municipal bodies, did you not?

A Yes, I appeared before City Council.

Q And the purposes of your appearance at that time were to try to persuade the Council to your way of thinking with respect to certain annexation of land?

A Well, not exclusively to my way of thinking, Mr. Bowen; also to the way that I had been led to believe was the way the City wished this by one of the City Commissioners.

Q Now, did you not feel at that time that it was important to you to know the councillors, if you could, to make friends of them?

A Well, it became obvious to me that the Council had a very limited period of time in which to consider these things, and that certainly it would --- it would be better from my point of view if individual councillors were better informed -- or completely informed on the matter.

Q Did you endeavour to inform these councillors individually outside the council chamber at any time?

A Certainly not the whole council, Mr. Bowen.

Q Did you try to inform -- or any of the councillors of the City of Edmonton?

A Yes sir, I did.

Q I was one of them, wasn't I?

A Well, I don't recollect that one, but if you say so I'm sure you were.

3-M-9

Dr.C.A.Allard - Bowen Ex.

Q All right. In any event, Doctor, the goodwill of the Council of the City of Edmonton was important to you, was it not?

A I'm not sure that goodwill was so important to me as accurate knowledge of what had transpired, of what the problem was, Mr. Bowen.

Q Well, you didn't want to make enemies of them, did you?

A I don't want to make enemies of anybody, Mr. Bowen, -- .

Q True.

A You know --- .

Q Well now, let's just examine this a little further: at that time you had invested, through your companies, to some extent, in land surrounding the City?

A Yes.

Q And it was your desire at that time to have that land developed as quickly as possible --- this is the prime purpose of developing?

A Yes.

Q And to do that you had to obtain the acquiescence of the Edmonton City Council in your desires? Correct?

A Yes.

Q And it was important to you because you had money invested, Doctor?

A Well, if you are referring to southwest Edmonton, I had very considerable money invested.

Q Right; and you were quite prepared to talk to individual councillors at that time to persuade them to your way of

3-M-10

Dr.C.A.Allard - Bowen Ex.

Q (Cont.) thinking?

A Or, perhaps, more accurately, to inform them fully of what had transpired between me and --- between myself and Commissioner Menzies.

Q And hoping, thereby, that you could influence their decision in the matter?

A And hoping that they would arrive at what I thought was the proper decision in view of all the circumstances which --

Q Well now, Doctor, we were talking a moment ago about the value of business people in your businesses -- the value they could be to you: do you not agree that municipal councillors and government officials can be valuable to people in business also, their friendship and their acquaintance and so forth?

A Mr. Bowen, to answer that question honestly, I would have to say that I have come to the opinion that a businessman doing business in this area is probably better off not to know elected officials, either at the municipal level or the government level.

Q But this was not your opinion in, say, 1958 or '59, was it, Doctor?

A No, probably not.

Q Now, what has changed your opinion, and when did it change?

A Well, I would say gradually over this period, Mr. Bowen, and probably in part from my own experience in the North West Trust Company, for example; I think that, for example, if somebody applies for a loan and he is a known friend of

3-M-11
Dr.C.A.Allard - Bowen Ex.

A (Cont.) one of the directors, that it places that director and all of the other directors at somewhat of a disadvantage, and doesn't always redound to the benefit of the applicant. I think that you are far better in business to have a good cause and a good story and something that makes sense, than to know somebody.

Q When did you have this change of heart in this matter, sir?

A Well, I think probably as much as anything, the Porter Commission, began to convince me of that.

Q In that area of time?

A Well, certainly beginning then.

Q Are you saying that you changed your opinion? Your opinion now is that you don't want anything to do with elected officials? Now, prior to your change of opinion you did want to have something to do with them, did you not?

A I think, Mr. Bowen, you are making this too cut and dried. Certainly in the time that you refer to I feel -- I feel that one of the big deficiencies in running the city government is this: that there is no -- that the person -- the average person who walks into the City Hall, for example, off the street, talks to one of the full-time staff at the City. Now, these talks may be lengthy, and they may take place over a great period of time. I think there is a great lack of communication there between them and the elected officials. Elected officials are prepared to dispose of various matters within five minutes -- certainly without being fully informed of all the things that

3-M-12

Dr.C.A.Allard - Bowen Ex.

A (Cont.) have gone on between business people who deal with the City and between the actual consummation at Council. I believe the period allowed is usually five minutes. Now, there are many, many things that take weeks and months of discussion and going back and forth between an individual, between a business enterprise in the City, that are never brought out at council, and to my mind this is one of the great shortcomings of city government.

Q Do you suggest, then, the remedy is to see the councillors and inform them?

A Well, I'm not sure what the remedy is, Mr. Bowen --- it may be the City is big enough now that councillors should be there on a full-time basis. I think maybe that city government has become too big to leave to people who have their own businesses to look after all day long, and then come in once a week and spend five minutes on an individual item, and have to make important decisions that affect a lot of people and a lot of business, without really being properly informed.

Q You think then, sir, that if they were there on a full-time basis that they would be more readily accessible to people who wished to talk to them, such as land developers and so on?

A No, I think they would be better informed, I suppose, Mr. Bowen.

Q Tell me this: do you think that the Minister of Municipal Affairs -- whoever he may be in the government -- can help

3-M-13

Dr.C.A.Allard - Bowen Ex.

Q (Cont.) land developers? Is there any way you know of in which he could help them?

A I don't think he can help them directly in any way, Mr. Bowen.

Q At least that you know of?

A That I know of.

Q Did you have the desire, after you first met Mr. Hooke, when you were out water-witching, did you have a desire to become acquainted with him more fully at that time?

A I don't think so, Mr. Bowen. As events turned out I didn't really see Mr. Hooke again until his wife became a patient of mine, which was over a year later.

Q I see. Did you at any time during the four-year period between January of 1964 and, say, November of '59, did you ever at any time set out to make his acquaintance, to become a friend of his?

A No sir, definitely not.

Q It was all happenstance, then, as it turned out; is that right?

A I would say that --- yes, that's correct.

Q Tell me -- I gather, Doctor, your specialty is thoracic surgery; is that correct?

A No, sir, I am a general surgeon.

Q So you don't restrict your practice to thoracic surgery?

A No, I do not.

Q Doctor, tell me -- I take it that in November -- or October of 1959 is when you first met Mr. Hooke?

3-M-14

Dr.C.A.Allard - Bowen Ex.

A This is my first recollection -- .

Q Right .

A -- of meeting Mr. Hooke .

Q And then in January of 1964, a little over four years later, you gave him a rent-free apartment at the Coast twice; is this correct?

A That is correct .

Q Now, you have other patients, I am sure?

A Yes .

Q Have you given any of them a rent-free apartment?

A Not that I recall, Mr. Bowen, although about three days ago in the hospital one of my colleagues walked up to me and said, "You know, one day in the doctors' room you offered this apartment to several of us who were sitting around, if any of us were going to go to the Coast," and he suggested that he should come down here and testify, and I assured him that I didn't think this was necessary, that the --- I suggested to Mr. Hooke that he should get a vacation in his own best interests -- I felt it was important -- .

Q Well, now, just a moment. I think we are going beyond my question, Doctor. I take it you have not offered this apartment to any other patient. Is this correct?

A Not that I can recall offhand.

Q Tell me this: have you ever made arrangements for a friend or a patient or anyone you know to use this apartment other than Mr. Hooke?

3-M-15

Dr.C.A.Allard - Bowen Ex.

A I have made arrangements for other people to use it -- for example -- within our companies, when they go to the Coast.

Q Is this kept, then, primarily, Doctor, as a -- how shall I say it? --- an appurtenance of your company employees, that they can use at times? Is it kept for this basic purpose?

A Well, it was at times, but at the moment I don't know whether it still exists as a guest suite or not, Mr. Bowen.

Q Well now, at that time, though -- I am trying to get down to it -- at that time was it a public relations setup, that people could use, that were doing business with you?

A In part -- it was primarily, though, meant to be an amenity within the apartment to be used by tenants in the apartment, primarily.

Q But it performed the additional function of a P.R.setup, a P.R. suite for important people; is this correct?

A No, that is not correct, Mr. Bowen.

Q Well, tell me then -- ?

A Certainly it was available to any -- to myself, for example -- or to any of my business associates who had business in Victoria, and certainly it was used by many people from North West Trust Company who went back and forth -- if it was vacant, and of course in those days it wasn't used a great deal. I can't recall suggesting to any other patients that they go up there, but certainly I suggested to other friends that it would be available for their use.

Q Now, coming down to Mr. Hooke, you had been advising him to

3-M-16

Dr.C.A.Allard - Bowen Ex.

Q (Cont.) take a holiday, had you?

A Yes, that is correct.

Q As his doctor?

A Yes.

Q And had you suggested any particular area that he go to?

A Well, I suggested in the wintertime that --- in the wintertime I would think my suggestion would be to go where it was warm.

Q This is reasonable.

A Personally, if I had a choice I would go somewhat farther south than Victoria.

Q Now, was Mr. Hooke reluctant to go, say, in the wintertime?

A Well, Mr. Hooke was obviously reluctant to take a holiday between the time he was admitted to hospital in July and the end of the year. This is the time that I particularly felt he should go away, but he felt that the pressure of his duties and --- the pressure of his duties largely didn't permit him to go away.

Q Was it a question that he didn't have enough money to go away -- was this ever brought up?

A Not to my knowledge -- I couldn't say that, Mr. Bowen.

Q So his reluctance stemmed mainly from the fact that he had duties here which required him, to your knowledge?

A Apparently he was not anxious to leave the City if he could avoid it at this time, and I didn't put it on the basis that he had to go.

Q Did you make arrangements with Mr. Hooke before he left,

3-M-17

Dr.C.A.Allard - Bowen Ex.

Q (Cont.) to go and live in the Regent Towers in January -- did you make arrangements with him whereby he would not have to pay for it?

A No -- as a matter of fact, Mr. Hooke offered to pay for the suite.

Q This is what I'm coming to. Why didn't you let him?

A Well, Mr. Bowen, if I were to suggest to you today that you go out and stay in this guest suite, I'm sure I wouldn't ask you for payment on your return.

Q You would have a hard time getting me in Victoria in any event. Now, coming back to my question -- I don't think I have really got an answer: you are talking about him wanting to pay, and you refusing -- .

A Well, I --- .

Q Had you invited him first to go there -- offered it to him?

3-B-1

Dr. C. A. Allard - Bowen Ex.

A I had certainly offered it to him, Mr. Bowen, or I had suggested that this was available and he was free to use it.

Q Yet he was the only patient to your memory that you ever did this for?

A At this moment that is correct.

Q And I suppose, Doctor, you had other patients who would benefit from a holiday at the Coast?

A A great many I am sure.

Q Quite. Why then Mr. Hooke and not the rest of them?

A Well, for one thing, Mr. Hooke had already given my children, as you know, a Shetland pony, complete with saddle; and as I pointed out to you, this has subsequently proved to be a very important event in our household activities, and I am sure that the value of that Shetland pony and the saddle were greater, greatly in excess of any rent that might have been due from Mr. Hooke.

Q Well, are you saying then that you were trying to repay Mr. Hooke's kindness?

A In part.

Q And what other part?

A I was anxious to see him get a holiday.

Q Have you ever had any discussion on business deals with Mr. Hooke, of your business deals?

A Not really; once Mr. Hooke became a patient of mine I felt the proper professional relationship was for me to avoid discussing my business interests, and -

Q And was this adhered to on your part?

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Dr. C. A. Allard - Bowen Ex.
- Wright Ex.

A Yes.

Q Did Mr. Hooke ever try to discuss your business or his business with you, and I say "business" in the true sense of the word, Doctor?

A To discuss my business with me?

Q Yes?

A No sir.

Q By the way, were you in residence at the Regent Towers at either time when Mr. Hooke was out there?

A No sir.

Q Did you charge Mr. Hooke for his medical services?

A I believe that Mr. Hooke, like so many other people, is covered by a medical plan, I am not sure off the top of my head which one it is.

Q Well, to your knowledge was he billed through your office, either to his health plan or personally?

A He would have been billed, yes.

Q And for his wife?

A Yes.

Q Thank you, Doctor.

THE COMMISSIONER: Mr. Chillack?

MR. CHILLACK: I have no questions, sir.

THE COMMISSIONER: Mr. Wright?

MR. WRIGHT EXAMINES THE WITNESS:

Q Dr. Allard, did you know before you met Mr. Hooke that he lived at Sherwood Park or had some sort of interest in the Sherwood Park development?

3-B-3

Dr. C. A. Allard - Wright Ex.

A No, I did not know where he lived, Mr. Wright.

Q When did you first find out that he lived at Sherwood Park?

A I would think the time around, of the water-witching episode which would be -

Q The end of '59?

A November '59.

Q And when did you find out that some of his land had been taken into the Sherwood Park townsite?

A I can't answer that exactly, Mr. Wright, but it would have come through discussions; Mr. Campbell, I got to know Mr. John Campbell very well, and at various times Mr. Campbell related to me some of the difficulties he had to go through to get Sherwood Park developed, and I probably would have learned that a part of it was at one time Mr. Hooke's farm from Mr. Campbell.

Q Yes, and when would that have been?

A Well, I would just be guessing, Mr. Wright.

Q When did you first meet Mr. Campbell?

A I first met Mr. Campbell in about June of 1958.

Q At the time of the Beaver Land Company deal?

A Yes. Well, yes.

Q Did any of the land included in that purchase come from Mr. Hooke?

A Well, I think we have covered this this morning, that there was an agreement between Mr. Campbell and Mr. Ball.

Q Yes, apart from that?

A Not to my knowledge, it was, I think the land at that time

3-B-4

Dr. C. A. Allard - Wright Ex.

A (Cont.) was owned by various members of the Ball family.

Q Yes, and coming to this whole question of your friendship with Mr. Hooke and your initial meeting with him, and so on; why would Mr. Hooke say that you had been a close personal friend since the end of 1958, have you any idea?

MR. STEER: Did he say that or did he say "I met ..." in the Memorandum?

MR. WRIGHT: Exhibit 111.

MR. STEER: This is the one. Someone had it this morning.

THE COMMISSIONER: It has been referred to before.

MR. GILL: I think I referred to it in Exhibit 115 of which I have a copy, Mr. Commissioner.

MR. STEER: "I met Dr. Allard for the first time on November 28th 1958.", sir.

THE COMMISSIONER: Yes, I think it is very important, Mr. Wright, in phrasing your questions of that kind to make sure that you put it in the proper words when you are referring to a written statement.

Q MR. WRIGHT: Yes, I am sure, My Lord. I am talking about Exhibit number 111 as I said, the bottom of page 2:

"Dr. Allard and I have been close friends ..."

and I used the word "personal" and I withdraw that:

" ... close friends since he became our family doctor about the end of 1958."

A I have no idea why Mr. Hooke would say that, Mr. Wright.

The facts of the matter as I know them are as related to you.

3-B-5

Dr. C. A. Allard - Wright Ex.

Q You have no idea why he makes a particular note that he first met you on the 28th of November 1958?

A Well, I think that that date probably arises because this was the time when I entered into the negotiations with the Social Credit League for the development of their property, and in trying to fix a date for that time it was my memory that at the same time the Social Credit Convention was going on, and I think it was probably fixed by determining when that Social Credit Convention took place.

Q Would it be a mere coincidence that at twelve thirty on the 28th of November 1958 there was a meeting of the North West Trust Company at which Mr. Jones, the then Secretary ...

A Yes.

Q ... of the company produced a copy of the new objects to be included in Clause 3 of the Memorandum of Association, and also the new clauses to be inserted in the Articles, and informed the meeting that these variations were necessary, had been approved by the Deputy Provincial Secretary and the Registrar of Companies; the fact that on that day there was a meeting at which the company was informed that the Deputy Provincial Secretary and Registrar of Companies had approved these Articles and that this coincides with his date is just a coincidence as far as you are concerned?

A That is a total coincidence, Mr. Wright.

Q Yes, but, did, was any approach made by anyone on your behalf to Mr. Hooke about this time regarding what you regarded as the unfairness of the difference between the North West

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Dr. C. A. Allard - Wright Ex.

Q (Cont.) Trust Company Limited and Farmers and Merchants?

A No sir, Mr. Hooke was not approached by me or by any of my associates to my knowledge with regard to the North West Trust Company at this time in any way.

Q When you write to Mr. Superstein and say in a letter to him, in the letter I should say, which is now marked Exhibit 350 in these proceedings, that:

"It is gratifying to be able to report that in the early part of the year . . ."

and the year was 1959.

" . . . we obtained from the Provincial Government all the powers for which we asked."

And this, of course, is with reference to the North West Trust Company; to whom did you go in the Provincial Government?

A Is this a letter from me, Mr. Wright?

THE COMMISSIONER: Just a minute, Mr. Steer?

MR. STEER: I think the witness has never seen that letter since it was probably written.

THE COMMISSIONER: I think he should see it.

Q MR. WRIGHT: Well, you wrote the letter, did you not, Dr. Allard? (Producing document to witness.)

A I rather doubt that I wrote this letter, Mr. Wright, but I obviously signed it as the President of the company.

Q Well, obviously you would not type it out.

A No, but I rather doubt from the composition that I composed it.

3-B-7

Dr. C. A. Allard - Wright Ex.

Q Is it true though, what is in it? Do you want to read it again?

A I don't think, well, perhaps I will just keep it here. Yes.

Q Well, I will put my question again then; who was spoken to in the Government or who was negotiated with in the Government?

A I think that we have covered all this, Mr. Wright, but I will do it again.

Q I don't think so, Dr. Allard, I missed it.

A All of the negotiations of which I am aware, and including the meetings at which I was present, were, took place with Mr. Hughes. There was no approach to anyone certainly by me and to my knowledge by my associates, to any member of the Cabinet.

Q And this includes the period in the beginning of 1959 too, does it? I know you said all this with reference to the registration of the company under The Trust Companies Act, but I am talking about the beginning of 1959?

A Yes, that would include the period of 1959, the beginning of 1959. At no time did I see Mr. Hooke while he was the Minister in charge of this matter, at no time, and to my knowledge none of my associates.

Q At no time did you and Mr. Superstein go to Mr. Hooke then?

A Oh, definitely not.

Q Did you and Mr. Superstein go to the Premier about the North West Trust Company at any time?

A No sir, definitely not.

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Dr. C. A. Allard - Wright Ex.

Q You never saw the Premier at anytime with reference to the trust company?

A Yes, I personally saw the Premier on one occasion with Mr. Miles sometime later, I would have a hard time giving you the exact date, but never with Mr. Superstein.

Q I see, with Mr. Miles then; what was that about and when?

A Well, by this time the North West Trust Company was functioning and it had the powers that it acquired there, and we were interested to see if we couldn't get some Government business, being an Alberta company, such as various accounts that the Government might keep here and there. I must say without any success though.

Q Did Mr. Hooke suggest that you see the Premier about this matter?

A No sir, definitely not.

Q Did anyone in the Government suggest that?

A No sir.

Q It was just your own idea?

A That is correct.

Q May that Minute that I referred to earlier, produced by my learned friend Mr. Steer, be marked, My Lord? A Minute of the Management Meeting of the North West Trust Company Limited, Friday, November 28th, 1958 it is, but it does not say so.

THE COMMISSIONER: Exhibit number 361.

MR. STEER: I am sorry, I didn't get the number.

THE COMMISSIONER: 361.

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Dr. C. A. Allard - Wright Ex.

MINUTE OF MANAGEMENT COMMITTEE
 MEETING OF NORTH WEST TRUST,
 NOVEMBER 28th, 1958, MARKED
 EXHIBIT 361.

Q MR. WRIGHT: Continuing with the letter, Exhibit 350, you say to Mr. Superstein in it:

"Now, we have one or two advantages under the Alberta Charter which the national companies do not possess."

What in particular were you referring to, Dr. Allard?

A I don't know, Mr. Wright. As I say, I am quite sure that letter was not composed by me.

Q Well, you say it is true?

A Well, it is true that I signed the letter.

Q No, no, I didn't ask you that, I said is what it says true, and you said yes, so that if you are then vouching to us, as you have done, that it does possess these advantages you must know what they are?

MR. STEER: Well -

A I didn't realize I had said yes, I didn't think I did.

MR. STEER: I am objecting to the manner in which Mr. Wright has put his question.

Q MR. WRIGHT: Do we gather then, Dr. Allard, -

THE COMMISSIONER: Just a minute, Mr. Wright.

MR. STEER: Let Dr. Allard finish.

MR. WRIGHT: I am sorry, I didn't realize he hadn't.

MR. STEER: I am sorry. I think that the answer my friend got from the witness is not such that he can say "Therefore you know what these advantages are.". Go ahead,

I am quite content to have him ask all the questions he likes.

3-B-10

Dr. C. A. Allard - Wright Ex.

MR. STEER: (Cont.) but not to presuppose a question on a simple answer "Yes", and that with respect to the letter generally.

MR. WRIGHT: I wish my learned friend would recall the evidence directly, I distinctly asked Dr. Allard whether what the letter said was true.

MR. STEER: This is exactly my point, sir, exactly my point.

MR. WRIGHT: And I gave it to him to read.

MR. STEER: And I submit, sir, he is not entitled to then do what has just been done.

MR. WRIGHT: Do we -

MR. STEER: A general answer and then an assumption that these matters are true.

MR. WRIGHT: May I ask my question now, Mr. Steer?

MR. STEER: I am quite content.

Q MR. WRIGHT: Thank you.

Do we gather then, Dr. Allard, that you were able to write what you say is true, namely that we, the North West Trust Company, have one or two advantages under the Alberta Charter which the national companies do not possess, without knowing what they were?

THE COMMISSIONER: I believe, Mr. Wright, he has not said that he wrote the letter, I think he said to the contrary, did he not? I think he pointed out that while his name appeared on the bottom of the letter it was not drafted by him but drafted by some member of his office.

MR. WRIGHT: Well, it doesn't matter, with respect

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Dr. C. A. Allard - Wright Ex.

MR. WRIGHT: (Cont.) it doesn't matter, My Lord, because he signed it and he says it is true, that is all I am getting at.

THE COMMISSIONER: Well, I think, Mr. Wright, that he is perfectly entitled now to go on and elaborate and explain his answer.

MR. WRIGHT: Well, I would be glad if he did, My Lord.

A What is the question again?

MR. WRIGHT: Will you read it back, please, Mr. Reporter?

THE REPORTER: (By reading)

" Q Do we gather then, Dr. Allard, that you were able to write what you say is true, namely that we, the North West Trust Company, have one or two advantages under the Alberta Charter which the national companies do not possess, without knowing what they were?"

A Off hand, Mr. Wright, I can't answer you quickly. I think that I would have to think about this for some time before I knew what those advantages were, but I must say that in these years I was not by no means familiar with what was in the Federal Act and I probably was not all that familiar with what was in the Alberta Act, so that I am not sure as at this moment to what advantages I referred to there.

Q MR. WRIGHT: You knew there were one or two but you cannot remember at this time what they were, is that it?

A I don't recall at this moment what they were, no.

3-B-12

Dr. C. A. Allard - Wright Ex.

Q Yes, perhaps I can assist your memory then; was not one of the advantages, could not one of the advantages have been, and for all I know in fact I presume still is, that a rather wider spectrum of investments was allowed?

A I can't answer that, Mr. Wright. It may be. I am not familiar at the moment with what the Federal Act is or was at that time, and I must say I am not too familiar with the Federal Act as it exists today.

Q Well, is not one of the difficulties you are experiencing right now and to which my learned friend Mr. Gill made brief reference, that what is allowed under The Alberta Act is rather different from what is allowed under The Federal Act with respect to investments?

A I think at the moment that The Alberta Trust Companies Act is probably the most restricted Act in Canada, and again I must say that I am not completely familiar with all the Acts.

Q Yes, I put that wrongly then, as I think you told us in your evidence, that it was tightened up from time to time?

A It was changed and I think in each instance there certainly were changes that were necessary and wise.

Q Yes?

A I think this.

Q So that one of these difficulties that you are experiencing just now is that certain investments, though proper when made under The Alberta Act, are not now in conformity with the provisions of The Federal Act?

A Well, I am not aware, Mr. Wright, that I said this was a

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Dr. C. A. Allard - Wright Ex.

A (Cont.) difficulty because I don't think it is the intention of the, either the Federal or the Provincial Government to make difficulties that arise out of Legislation, I don't think that they are trying to make retroactive Legislation.

Q I am not suggesting that, Dr. Allard, I am just suggestion it is a problem?

A Well, I think, I think, I don't think it is any great difficulty, Mr. Wright; I think that as time goes on that all of the Provincial companies will be required to orient their business along the lines as the Federal Deposit Insurance Corporation wishes them to do so.

Q Yes, well, let's leave aside the question whether it is a difficulty or a problem then; the fact is that in the past it was possible to deposit, invest or otherwise lodge the funds of the trust company in securities which are not permissible under The Federal Act?

THE COMMISSIONER: Mr. Steer?

MR. STEER: Thank you, sir. I think in Mr. Gill's examination we dealt with this question of whether there is a problem or is not a problem between North West Trust and any particular Federal authority, and it was decided that it was not relevant to this Inquiry. Mr. Gill then, of course, quite properly switched his line of questioning and directed it to his point, and the matter was disposed of. I suggest with respect that if Mr. Wright is going to re-examine on this same ground that that same objection applies.

3-B-14

Dr. C. A. Allard - Wright Ex.

THE COMMISSIONER: Mr. Wright?

MR. WRIGHT: My Lord, I am not examining on the difficulties or otherwise, I have just said that we are leaving those, of the North West Trust Company right now. All I am trying to get at is the refreshing of the witness' memory as to the advantages which he says an Alberta Charter provides over The Federal Act, that is all.

MR. CLEMENT: As of 1958, I take it?

MR. WRIGHT: Yes, he has already told us there are none now, I gather.

A Well, Mr. Wright, I can't from memory tell you what those advantages are, but I think that if I were to review The Federal Act and The Alberta Act that probably they would become apparent.

Q MR. WRIGHT: Yes, well, we can do that ourselves, I suppose, but you must have had something in mind when you signed that letter in 1959, and I would like you, Dr. Allard, to refresh your memory as to what those advantages were and specifically to refresh your memory as to whether there would be more latitude given to investments under The Alberta Charter than under The Federal Charter?

MR. STEER: And could my friend suggest how this refreshing of the memory might be done? I think I would not be prepared to have Dr. Allard go through the Federal Statute as it stood at that date and our Trust Company Act as it stood at that date, and make up his answer for tomorrow morning.

3-B-15

Dr. C. A. Allard - Wright Ex.

MR. CLEMENT: There is a further point, sir. In my recollection Mr. Hughes did deal with this subject, he discussed with the Inquiry the range of investments which as Registrar of the Trust Companies Act companies to be licensed under that Act could invest in.

THE COMMISSIONER: However, I think it is perfectly relevant for Mr. Wright to inquire what is meant by this particular letter, since it appears under the signature of Dr. Allard. On the other hand, I certainly can understand Dr. Allard after a lapse of this many years being expected to remember this particular reasoning that underlay that particular phrase in the letter. It is quite understandable, so that we will adjourn on that basis, Mr. Steer, as you suggested it.

MR. CLEMENT: All I have to say, Mr. Commissioner, is this, that if one of those considerations referred to by Mr. Wright in that letter was the difference in investment, then the topic has already been discussed by Mr. Hughes and, in any event, appears to be a matter of interpretation of Statutes.

MR. STEER: Sir, I said I would not be prepared, with respect, to have Dr. Allard -

THE COMMISSIONER: Well, I don't expect Dr. Allard -

MR. STEER: I would not be prepared to have Dr. Allard go through all those Statutes.

THE COMMISSIONER: I don't expect Dr. Allard to become an authority on this, but I think Dr. Allard could between

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Dr. C. A. Allard - Wright Ex.

THE COMMISSIONER: (Cont.) now and tomorrow morning refresh his memory as to what, the basis upon which that statement appears. He might refresh his memory on why he made that statement.

MR. STEER: If there is some source he could go to, sir, and this is why I raised that point, that I know of no source to which Dr. Allard can go.

MR. WRIGHT: I don't know why we are making such a big deal about it, with respect, My Lord, the witness has said that without refreshing his memory he could not be sure what he was referring to at the time, presumably it is in the records of the time, that is all.

THE COMMISSIONER: I think we should leave it on the basis that overnight Dr. Allard can look at the letter and perhaps he can refresh his memory, I am not concerned particularly with how he refreshes it, I mean that is Mr. Steer's problem. We will adjourn until tomorrow morning at nine o'clock.

(And the Hearing stood adjourned
at 1:00 P.M.)

